

April 17, 2012

VIA HAND DELIVERY

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

RECEIVED

APR 17 2012

PUBLIC SERVICE COMMISSION

**RE: HILAND OPERATING, LLC
6-INCH NATURAL GAS LIQUIDS PIPELINE
- MCKENZIE COUNTY
CASE NUMBER PU-10-554**

Dear Mr. Nitschke:

On November 2, 2011, the North Dakota Public Service Commission ("Commission") issued an Order granting a Certificate of Corridor Compatibility and Route Permit to Hiland Operating, LLC ("Hiland"), for a 6-inch natural gas liquids pipeline in McKenzie County, North Dakota ("Project"). Hiland hereby requests that the Commission approve a modification to the route approved for the Project. In support of its request, Hiland submits herewith the Affidavit of Michael S. Higgins, which provides detailed information regarding the proposed route modification. Hiland respectfully requests that the Commission make a determination regarding the requested route modification as soon as possible.

Enclosed are ten (10) copies of this letter and the above-noted Affidavit, 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,



MOLLIE M. SMITH

MMS/ms
Enclosures

cc: Mr. Patrick Fahn (*w/ encl. - via e-mail*)
Mr. Michael Higgins (*w/ encl. - via e-mail*)
Ms. Kathleen Spilman (*w/ encl. - via e-mail*)

5090564_1.DOC

Attorneys & Advisors / Fredrikson & Byron, P.A.

main 71
fax 70
www.fri

54

PU-10-554 Filed: 4/17/2012 Pages: 17
**Request for approval of modification to route,
Affidavit of Michael Higgins**

31 and 32, Township 152 North, Range 103 West, McKenzie County, North Dakota. As such, the proposed route modification will reduce the potential for inadvertent impacts to these cultural sites, and will also eliminate the need for Hiland to reduce the width of its right-of-way near said sites, fence the boundaries of said sites, and have the sites monitored by an archaeologist during construction (*see* paragraph 17 of Recommended Findings of Fact, Conclusions of Law and Recommended Order, dated October 31, 2011, adopted and incorporated into the Commission's Order). Third, the route modification will result in the removal of fewer trees.

5. That the owners of the property to be crossed by the route modification have approved the proposed modification and have executed easement agreements in favor of Hiland.

6. That a Class III cultural resources inventory has been completed for the proposed route modification. Copies of an Addendum to the Class III Cultural Resources Inventory Report, which covers the proposed route modification, and a letter from the North Dakota State Historic Preservation Office, dated April 4, 2012, concurring with the report's findings, are attached hereto as **Exhibit B**.

7. That botany, wetland and wildlife surveys have been completed for the proposed route modification. A letter report prepared by Keitu Engineers & Consultants, Inc., regarding these surveys is attached hereto as **Exhibit C**.

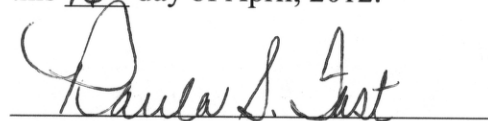
8. That no avoidance or exclusion areas, as set forth in Sections 69-06-08-02(1) and (2) of the North Dakota Administrative Code, will be crossed by the proposed route modification. *See also* **Exhibit C**.

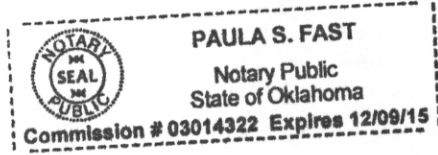
9. That no selection criteria, as set forth in Section 69-06-08-02(3) of the North Dakota Administrative Code, will be negatively impacted by the proposed route modification. *See also* **Exhibit C**.

FURTHER AFFIANT SAYETH NOT.


Michael S. Higgins

Subscribed and sworn to before me
this 16th day of April, 2012.


Notary Public



5090203_2.DOC

Hiland 1B -- Exhibit A (Revised April 12, 2012)

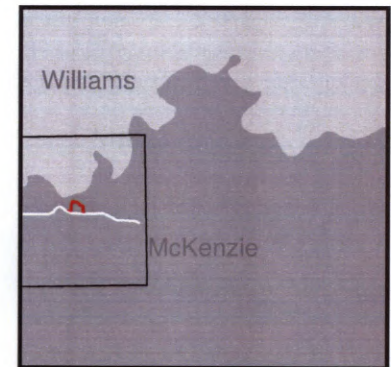
6-Inch Natural Gas Liquids Pipeline
McKenzie County

Legend

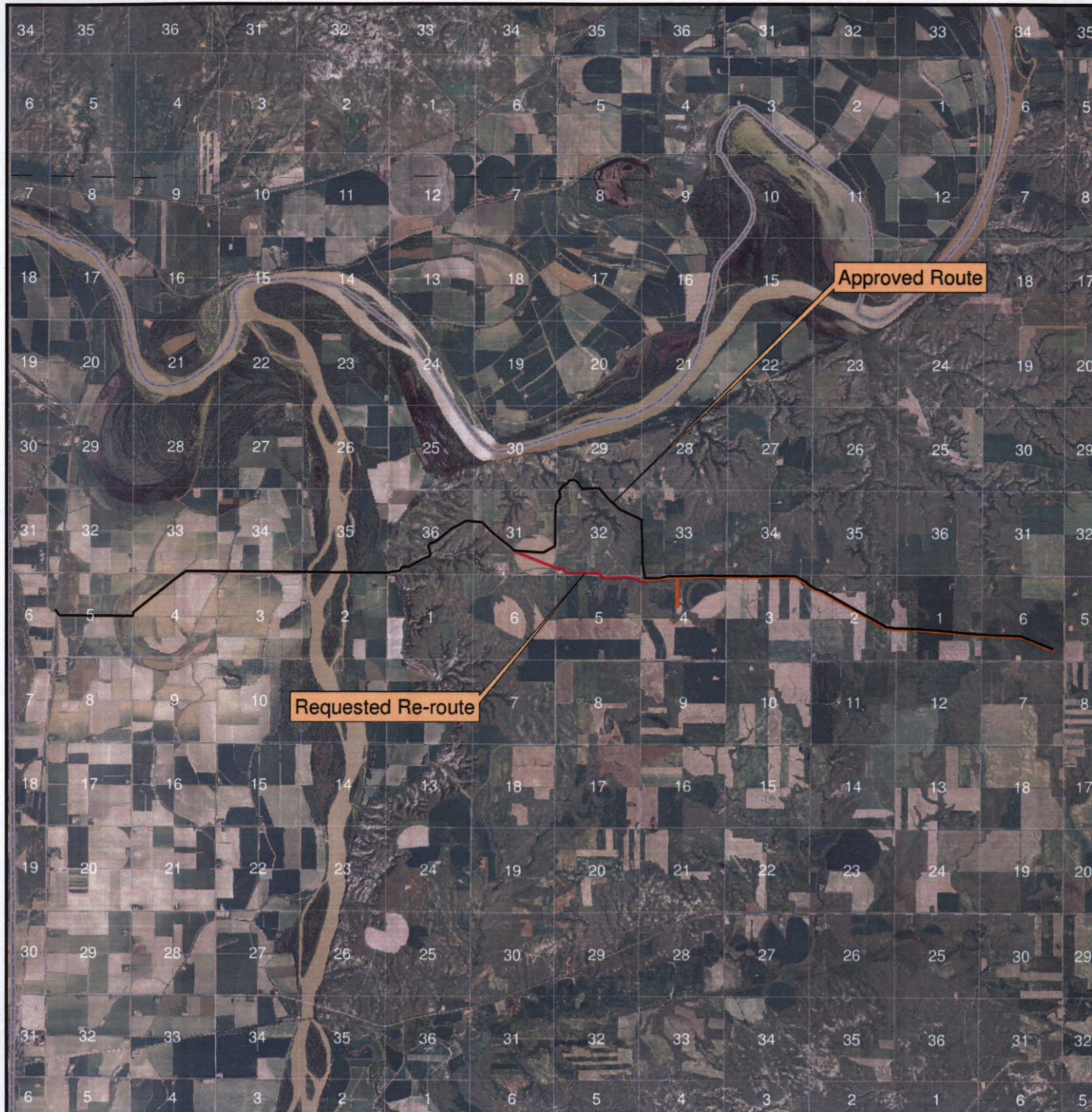
- 6 Inch LPG Line (As Approved)
- 8 Inch Natural Gas Line
- Requested Re-route



0 1 2 Miles



Hiland Operating, LLC
205 West Maple, Suite 1100
Enid, Oklahoma 73701
580-616-2080





**STATE
HISTORICAL
SOCIETY
OF NORTH DAKOTA**

Jack Dalrymple
Governor of North Dakota

North Dakota
State Historical Board

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Parks and Recreation
Department

Francis Ziegler
Director
Department of Transportation

Merlan E. Paaverud, Jr.
Director

Accredited by the
American Association
of Museums since 1986

April 4, 2012

Mr. Wade Burns
Beaver Creek Archaeology, Inc.
301 1st Street NE Suite 201
Mandan ND 58554

ND SHPO REF.: 11-1814A PSC Hiland Operating LLC "Hiland 1B Pipeline:
An Addendum to the 2011 Class III Cultural Resources Inventory in
McKenzie County, North Dakota"

Dear Mr. Burns,

We reviewed ND SHPO REF.: 11-1814A PSC Hiland Operating LLC "Hiland
1B Pipeline: An Addendum to the 2011 Class III Cultural Resources
Inventory in McKenzie County, North Dakota." We find the above-captioned
report acceptable. We concur with "No Historic Properties Affected" and "No
Significant Sites" determinations, provided the project follows the surveyed areas
in the Addendum report.

Thank you for the opportunity to review this project. If you have any questions
please contact 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, PSC

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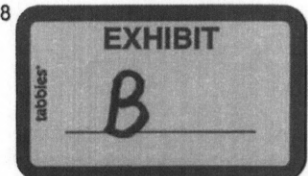
APR 05 2012

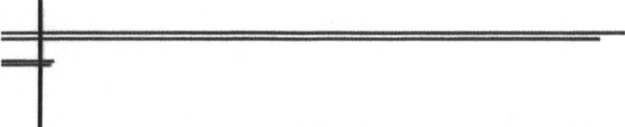
PUBLIC SERVICE COMMISSION

53 **PU-10-554** Filed: 4/5/2012 Pages: 1
Letter concurrence - no historic properties and no
significant sites affected

State Historical Society of North Dakota

Merlan E. Paaverud, Jr.





Hiland 1B Pipeline: An Addendum to the 2011 Class III Cultural Resources Inventory in McKenzie County, North Dakota

Prepared for: Hiland Operating, LLC

Prepared by: Christina Burns (PI)

Beaver Creek Archaeology, Inc.
Mandan, North Dakota

BCA Project #: 2012 - 551

March, 2012



Beaver Creek
ARCHAEOLOGY

WHERE PROGRESS MEETS PRESERVATION

301 1st St NE, Suite 201 | Mandan, ND 58554 | PH (701) 663.5521 | FX (701) 663.5589

www.bcarch.org | e-mail: info@bcarch.org

Manuscript Date Record Form

1. Manuscript Number:
2. SHPO Reference #:
3. Author(s) (List all authors names as they appear on the report title page): **Christina Burns**
4. Title (Complete title as it appears on the report title page): **Hiland 1B Pipeline: An Addendum to the 2011 Class III Cultural Resource Inventory in McKenzie County, North Dakota.**
5. Report Date (As is appears on the report title page): **March, 2012**
6. Number of Pages (Including front matter, references cited and appendices): **7**
7. Type – I = Inventory (Class 3 CRI), T – Test, E= Excavation, O = Other: **Type I**
8. Acres – Class 3 inventory only; project description specified only in report: **34**
9. Legal Location(s) (no quarter sections) with Historic Context Study Unit(s): Consult township tables in The North Dakota Comprehensive Plan for Historic Preservation: Archaeological Component, (SHSND 1990) for Study Unit Assignments. Study Units: LM, CB, KN, HE, SM, GA, JA, GR, NR, SR, SO, SH, YE

COUNTY	TWP	R	SEC	SU
McKenzie	151	103	4, 5	YE
	152	103	31, 32	GA

Negative Survey Report
Submitted by Beaver Creek Archaeology, Inc.
301 1st Street NE Suite 201 Mandan, North Dakota 58554
Phone: (701) 663-5521; e-mail: info@bcarch.org

Report Title: Hiland 1B Pipeline: An Addendum to the 2011 Class III Cultural Resource Inventory in McKenzie County, North Dakota.

Author: Christina Burns

Report Date: March, 2012

Acreage: 34

Land Status: Private Property

Survey Date: March 23, 2012

Project Sponsor: Hiland Operating, LLC

Historic Context: Yellowstone River Study Unit (#13) and Garrison Study Unit (#6)

Legal Description/Location of Project Area: The proposed project is located in the N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 4 and N $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 5 in T151N R103W; and in the S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$ & Sw $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32 and SE $\frac{1}{4}$ SE $\frac{1}{4}$ & NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31 in T152N R103W in McKenzie County, North Dakota as depicted on the USGS 7.5' Buford quadrangle map. The proposed project is located on private property.

Description of Proposed Project: The proposed project consists of the construction of a pipeline for Hiland Operating, LLC. The initial inventory was performed in 2011 by Beaver Creek Archaeology, Inc. Part of the proposed route was changed, and Beaver Creek Archaeology, Inc inventoried the new route segment in March 2012. The new Area of Potential Effect (APE) consists of 34 acres (previously inventoried areas were not inventoried during the fieldwork in March 2012). The survey corridor is 250' wide.

Result of File Search: Raina Hanley conducted a literature search at the North Dakota State Historic Preservation Office (NDSHPO) on March 16, 2012. The search revealed eight site(s), no site lead(s), three isolated find(s) within a one mile radius; and twelve Manuscript(s) on file within the Sections of the APE (see tables).

Negative Survey Report
 Submitted by Beaver Creek Archaeology, Inc.
 301 1st Street NE Suite 201 Mandan, North Dakota 58554
 Phone: (701) 663-5521; e-mail: info@bcarch.org

Table 1: Manuscripts on File at the Archaeology and Historic Preservation Division, State Historical Society of North Dakota in or near the APE

Year	MS #	Author	Location			Title
			Tw P	R	S	
1981	2564	Root, M.	152	103	29, 32	Archeological Site Survey and Testing Along the Northern Border Pipeline, North Dakota: Annual Progress Report, 1980, McKenzie, Mercer, Dunn, Stark, Morton, Emmons, McIntosh, & Williams Counties
1983	3455	Root, M. & Gregg, M.	152	103	29, 32, 33	Archeology of the Northern Border Pipeline, North Dakota: Vol. 2, Pts. 1-3 Survey and Background Information, McIntosh, Emmons, Morton, Stark, Mercer, Dunn, McKenzie, & Williams Co., ND
			151	103	4	
2010	12079	Jakel, G. & Burns, W.	152	103	32	Lassey Material Source Area: A Class III Cultural Resource Inventory McKenzie Co., ND
1983	3456	Root, M. & Gregg, M.	152	103	29, 32	Archeology of the Northern Border Pipeline, North Dakota: Vol. 3, Test Excavations, McIntosh, Emmons, Morton, Stark, Mercer, Dunn, McKenzie, & Williams Co., ND
2005	9466	Klinner, D. & Heiner, P.	152	103	33	Cabin Creek to Williston Pipeline Replacement: A Class III Cultural Resource Inventory McKenzie Co., ND
			151	103	4,5	
2010	11818	Burns, W. & Jakel, G.	151	103	4	Highland Partners 8 Inch Natural Gas Pipeline: A Class III Cultural Resource Inventory McKenzie Co., ND
2010	11755	Bielakowski, A.	151	103	4	Class I Literature Search & Class III Intensive Archaeological Investigation for the Hiland and Saddle Butte Interconnect and Meter Station Projects, McKenzie Co., ND
2005	9286	Klinner, D.	151	103	4	Fort Buford Compressor Station and Pipe Storage Area for the Cabin Creek to Williston Pipeline Replacement Project: A Class III Cultural Resource Inventory McKenzie Co., ND
1991	5628	Olson, B.	151	103	4	Koch Industries, Inc. AFE 39999 10-inch Natural Gas Pipeline; Northern Border Connection Pipeline Reroute Cultural Resource Inventory McKenzie County, North Dakota
1991	5556	Olson, B.	151	103	4	Cultural Resource Inventory of the Proposed McKenzie Gas Plant to Fort Buford Compressor Station Northern Border Connection Pipeline McKenzie County, North Dakota
1984	3766	Metcalf, M.	151	103	4, 5	Pipeline Survey for Energy Resource Transportation, Getty Oil Company's WESCO Pipeline, McKenzie Co., ND
1982	2706	Keim, K., et al	151	103	4	The Class III Cultural Resource Inventory for the Proposed MDU Fort Buford Compressor Station, McKenzie Co., ND

Negative Survey Report
 Submitted by Beaver Creek Archaeology, Inc.
 301 1st Street NE Suite 201 Mandan, North Dakota 58554
 Phone: (701) 663-5521; e-mail: info@bcarch.org

Table 2: Summary Information on Archaeological Sites Recorded near the APE

SITS #	Location			Affiliation	Description	Recorder	NRHP Status
	Twp	R	S				
32MZ559	152	103	32	Unknown	CM Scatter, Ceramics, Faunal Remains, Fire Cracked Rock	Volk	Unevaluated
32MZ369	152	103	29	Unknown	Cm Scatter, Projectile Point, Ground Stone	Volk	Unevaluated
32MZ561	152	103	29	Unknown	Stone Circle	Kordecki, C.	Unevaluated
32MZ58	152	103	30	Unknown	CM Scatter, Chipped Stone	Peterson, L.	Unevaluated
32MZ566	152	103	29	Historical	Tilp Homestead, Foundation, CM Scatter	Unknown	Unevaluated
32MZ2189	151	103	6	Unknown	Two Stone Circles	Messerli, T.	Unevaluated
32MZ2205	152	103	31, 32	Unknown	Stone Circle, cairn	G. Jakel	Unevaluated
32MZ2209	152	103	33	Historic/Architectural	Farmstead	G. Jakel	Ineligible

Table 3: Summary Information on Archaeological Site Leads/Isolated Finds near the APE

SITS #	Location			Affiliation	Description	Recorder	NRHP Status
	Twp	R	S				
32MZx994	151	103	4	Unknown	Isolated Find, Chipped Stone	Klinner, D.	Ineligible
32MZx257	152	103	29	Unknown	Isolated Find, Chipped Stone	Hitland, M.	Ineligible
32MZx338	152	103	29	Unknown	Isolated Find, Chipped Stone	Hitland, M.	Ineligible

Field Personnel: Christina Burns (PI) and Christy Mog, Staff Archaeologist(s).

Field Methods: The proposed project area was inventoried on March 23, 2012 by Beaver Creek Archaeology. Weather conditions were good with sunny skies and approximately 50°F. The proposed pipeline corridor was inventoried by the archaeologist(s) walking parallel pedestrian transects 15 - 20 meters apart to cover the APE. During the survey, field notes and overview pictures were taken.

Negative Survey Report
Submitted by Beaver Creek Archaeology, Inc.
301 1st Street NE Suite 201 Mandan, North Dakota 58554
Phone: (701) 663-5521; e-mail: info@bcarch.org

The APE is located within the Yellowstone River Study Unit (#13) and the Garrison Study Unit (#6) as found in the *North Dakota Comprehensive Plan for Historic Preservation*:

Archaeological Component. The APE is partly located within range land and partly within a plowed field. Vegetation in the area consists of native and non-native grasses, plants, forbs, trees and shrubs. Ground Surface Visibility (GSV) was approximately 30% on average. Areas of higher visibility, such as erosion features, areas of sparse vegetation and rodent burrows were closely examined for cultural material.

Results and Recommendations: The investigation of the APE revealed no cultural resources. Consequently, *No Historic Properties Affected* is recommended and therefore, no further archaeological investigation is needed for the APE as mapped, photographed and described herein.

Negative Survey Report
Submitted by Beaver Creek Archaeology, Inc.
301 1st Street NE Suite 201 Mandan, North Dakota 58554
Phone: (701) 663-5521; e-mail: info@bcarch.org

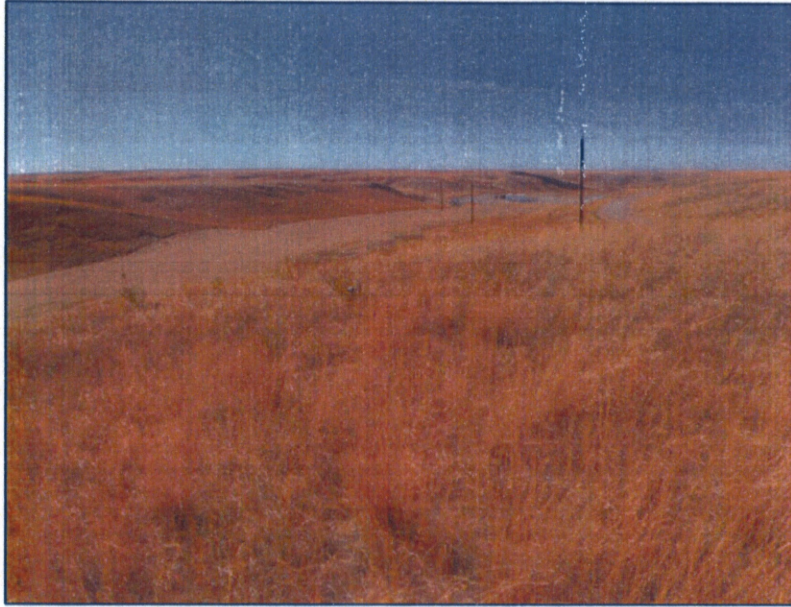


Figure 1: Overview of the APE. View to the West.



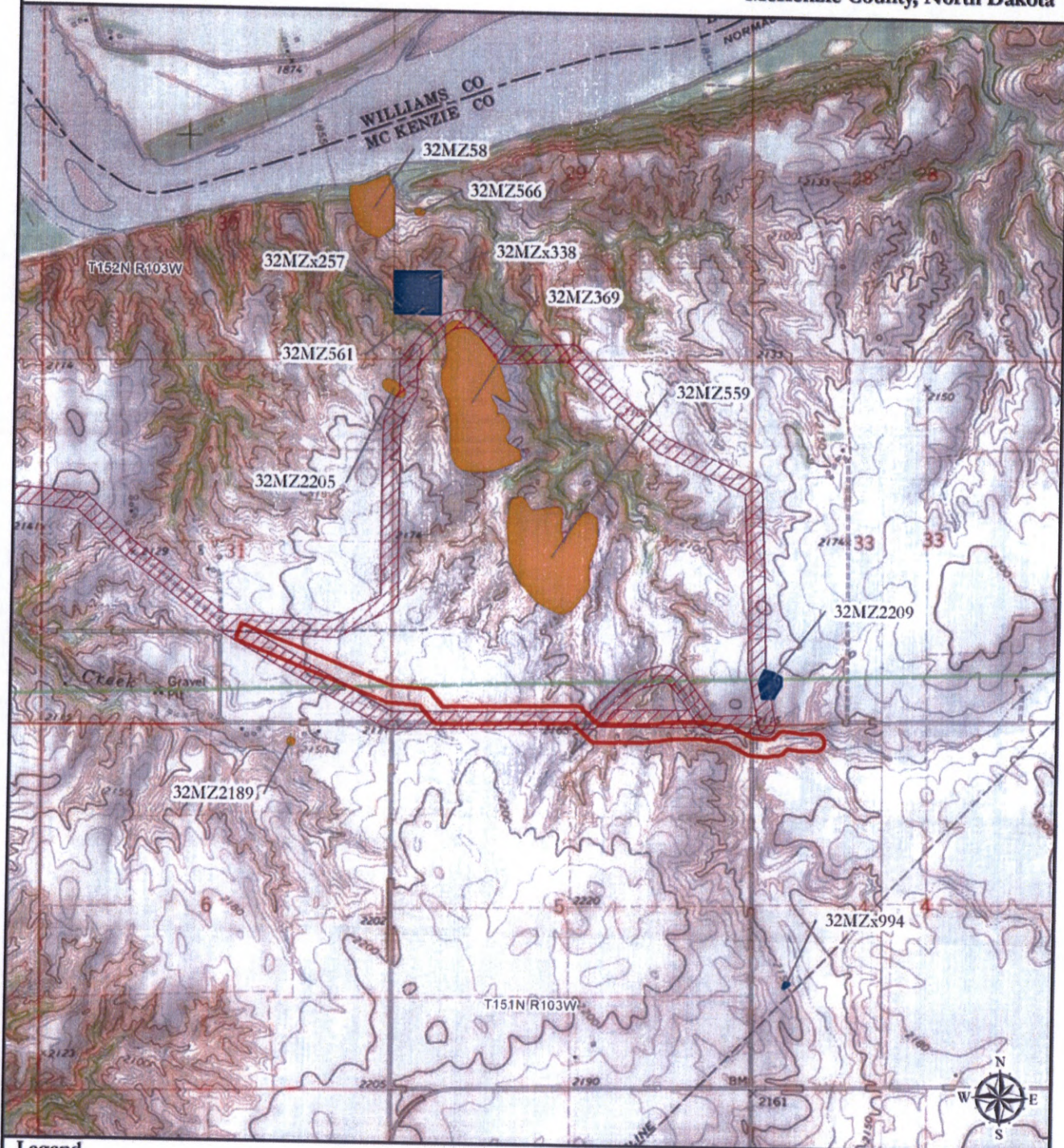
Figure 2: Overview of the APE. View to the Southeast.






Beaver Creek

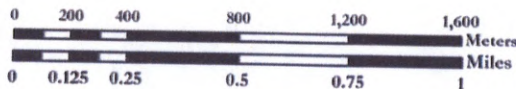
ARCHAEOLOGY

Hiland 1B Pipeline Re-Route
 Hiland Operating, LLC
 T152N R103W Sections 31 & 32
 T151N R103W Sections 4 & 5, Buford Quad map
 McKenzie County, North Dakota



Legend

-  APE
-  Previous Inventory
- Cultural Resources**
-  Eligible/Unevaluated Site
-  Ineligible Site/Isolated Find



Base Map: USGS 7.5'
 Scale: 1:24,000
 UTM NAD83 Zone 13



2610 OLD RED TRAIL STE. C
MANDAN, ND 58554-1447
701-667-1800

April 13, 2012

Michael S. Higgins
Hiland Partners, LP
PO Box 5103
Enid, OK 73702

Hiland Operating, LLC 6-inch Natural Gas Liquids Pipeline Case No. PU-10-554
Proposed Route Change - McKenzie County, North Dakota
Sections 31 and 32, T152N, R103W and Sections 4 and 5, T151N, R103W

Per your request, Keitu Engineers and Consultants, Inc. (Keitu) has reviewed a proposed pipeline route change in Sections 31 and 32, Township 152 North, Range 103 West, and in Sections 4 and 5, Township 151 North, Range 103 West, McKenzie County, North Dakota.

Field botany, wildlife and wetland studies were conducted in the vicinity of the new proposed route in May and June 2011. Both field biology studies and regulatory agency reviews were conducted for two alternate routes through this area last summer, including a route very similar the reroute proposed. Our standard practice is to perform field studies half mile on either side of a proposed pipeline route so information was already available and compiled for this review.

The proposed alternate route will not affect any Public Service Commission exclusion, avoidance or selection criteria.

Please find enclosed revised Figure 4.A.3a and Figure 4.A.3b depicting the current approved and proposed-revised route for the 6-inch Natural Gas Liquids pipeline. A CD-ROM with the appropriate shapefiles and electronic copies of the maps and certification is also enclosed.

Thank you for the opportunity to serve Hiland Operating, LLC again.

A handwritten signature in black ink, appearing to read "Kathleen M. Spilman".

Kathleen M Spilman, PE
Managing Director

*Enclosures Revised map plates depicting approved and new proposed route
CD-ROM with revised route shapefiles and electronic copies of files*

cc: Mollie Smith, Fredrikson & Byron, P.A. with 2 copies of Enclosures

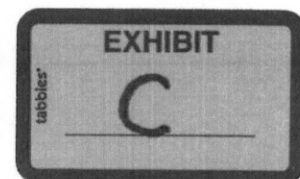
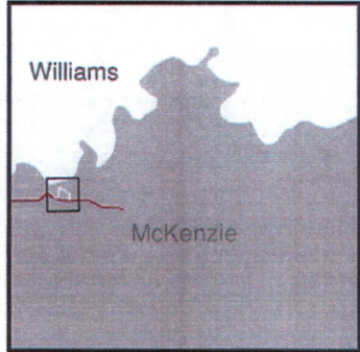
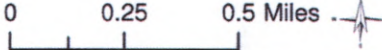


Figure 4.A.3a - Route Map
(Revised April 12, 2012)

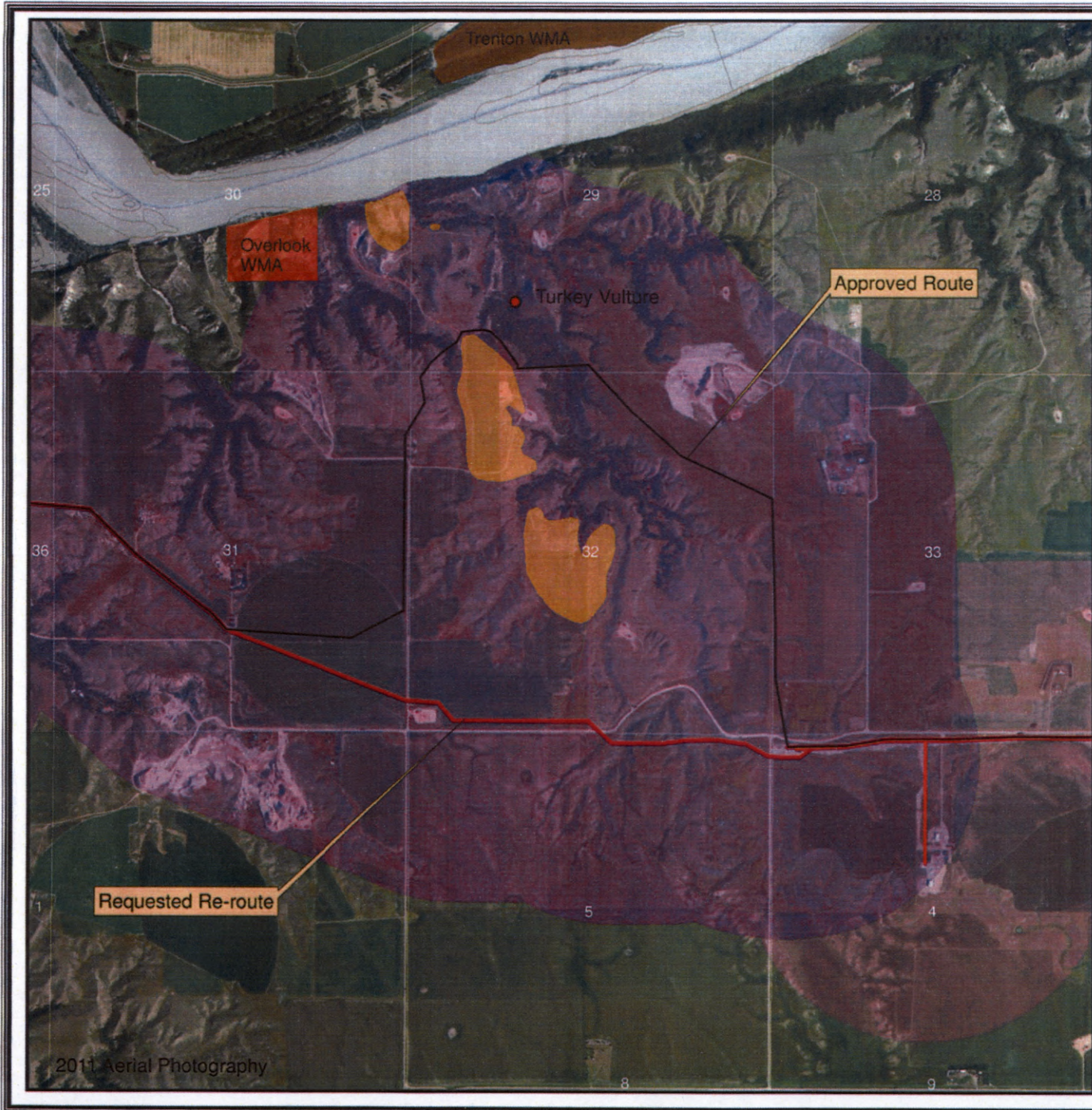
6-Inch Natural Gas Liquids Pipeline
McKenzie County
Township 151N Range 103 W
Township 152N Range 103 W

Legend

- Sensitive Reptiles
- Sensitive Birds
- Sensitive Plants
- Sensitive Species
- Residence within 500ft
- 6 Inch LPG Line
- 8 Inch Natural Gas Line
- Requested Re-route
- 2010 Field Study Corridor 1 Mile
- 2011 Field Study Corridor 1 Mile
- Cultural Inventory Sites
- Cultural Inventory Lead Sites
- USFWS Wetland Inventory



Hiland Operating, LLC
205 West Maple, Suite 1100
Enid, Oklahoma 73701
580-616-2080











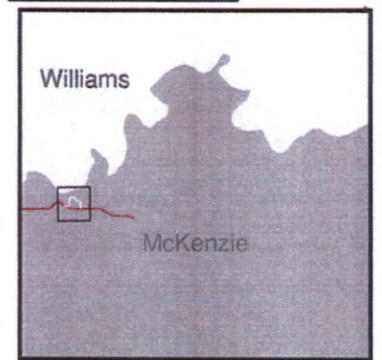
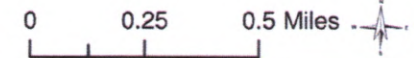
2011 Aerial Photography

Figure 4.A.3b - Route Map
(Revised April 12, 2012)

6-Inch Natural Gas Liquids Pipeline
McKenzie County
Township 151N Range 103 W
Township 152N Range 103 W

Legend

-  6 Inch LPG Line (As Approved)
-  8 Inch Natural Gas Line
-  Requested Re-route
-  2010 Field Study Corridor 1 Mile
-  2011 Field Study Corridor 1 Mile
-  Cultural Inventory Sites
-  Cultural Inventory Lead Sites
-  USFWS Wetland Inventory



Hiland Operating, LLC
205 West Maple, Suite 1100
Enid, Oklahoma 73701
580-616-2080

