

December 20, 2010

HAND-DELIVERED

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

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PUBLIC SERVICE COMMISSION

**RE: HILAND OPERATING, LLC
8-INCH NATURAL GAS MAIN AND
LATERAL PIPELINE – MCKENZIE
COUNTY
CASE NUMBER PU-10-555**

Dear Mr. Nitschke:

Please find enclosed herewith for filing an original and ten copies of the following documents in connection with the above-referenced matter:

1. Late Filed Exhibit 5;
2. Late Filed Exhibit 6; and
3. Proposed Findings of Fact, Conclusions of Law and Order issuing Certificate of Corridor Compatibility and Route Permit.

Also enclosed herewith is a disk containing the same in PDF format. Should you have any questions, please advise.

Sincerely,



MOLLIE M. SMITH

MS/mms
Enclosures

cc: Patrick Fahn (w/ encl. – *hand-delivered*)
Mark Gruman (w/ encl. – *hand-delivered*)
Kent Christopherson (w/ encl. – *via e-mail*)
Michael Higgins (w/ encl. – *via e-mail*)
Kathleen Spilman (w/ encl. – *via e-mail*)

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33 PU-10-555 Filed: 12/20/2010 Pages: 16
Proposed Findings of Fact, Conclusions of Law & Order

Hiland Operating, LLC

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STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Hiland Operating, LLC
8-Inch Natural Gas Main & Lateral Pipeline
Siting Application

Case No. PU-10-555

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER GRANTING
CORRIDOR CERTIFICATE AND ROUTE PERMIT**

December __, 2010

Appearances

Commissioners: Kevin Cramer, Tony Clark, and Brian P. Kalk.

Lawrence Bender, Attorney-at-Law, Fredrikson & Byron, P.A., 200 North Third Street, Suite 150, Bismarck, North Dakota 58501, on behalf of Hiland Operating, LLC (“Hiland Operating”).

Mark Gruman, Counsel, Public Service Commission, 600 East Boulevard, Bismarck, North Dakota 58505, on behalf of the Public Service Commission.

Patrick Fahn, Director – Compliance and Competitive Markets Division, Public Service Commission, 600 East Boulevard, Bismarck, North Dakota 58505, on behalf of the Public Service Commission.

Al Wahl, Administrative Law Judge, Office of Administrative Hearings, 1701 North Ninth Street, Bismarck, ND 58501-1882, as Procedural Hearing Officer.

Preliminary Statement

On October 13, 2010, Hiland Operating filed a consolidated application for a Certificate of Corridor Compatibility and Route Permit for an approximately 5.1-mile long, eight-inch natural gas pipeline project (“Project”) that will extend from Hiland Operating’s natural gas processing plant (“Hiland Operating Plant”) approximately four miles north and eight miles east of Cartwright, North Dakota, to interconnect with the Northern Border Pipeline Company’s (“Northern Border”) transmission pipeline at the Hiland Operating-Northern Border Tap Site approximately five miles north of Cartwright, North Dakota, all in McKenzie County, North Dakota.

Hiland Operating requests that the North Dakota Public Service Commission (“Commission”) issue a Certificate of Corridor Compatibility and Route Permit for the proposed Project. Hiland Operating also requests that the Commission waive the following requirements: (1) that the Commission hold a separate hearing on Hiland Operating’s waiver request, Certificate of Corridor Compatibility application and Route Permit application; (2) separately filed applications for a Corridor Certificate and a Route Permit, and separate publication of

notices of filing the applications; and (3) the submission of mylar maps and stereo-pair aerial photographs, per the Commission's Application Guidelines for a Corridor Certificate and a Route Permit.

On November 2, 2010, the Commission deemed the application of Hiland Operating complete and issued a Notice of Filing and Notice of Hearing scheduling a hearing for December 10, 2010, at 10:00 am at the McKenzie County Court House, 201 5th Street NW, Watford City, North Dakota.

The Notice of Hearing identified the following issues to be considered:

1. Will the location, construction, and operation of the proposed facilities produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota?
2. Are the proposed facilities compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed facility locations minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?

Having allowed all interested persons an opportunity to be heard and having heard, reviewed and considered all testimony and evidence presented, the Commission makes the following:

Findings of Fact

1. Hiland Operating is a Delaware limited liability company, that is headquartered in Enid, Oklahoma, and is authorized to transact business in the State of North Dakota.
2. Hiland Operating is proposing to construct a natural gas pipeline Project in McKenzie County, North Dakota. The Project will consist of an underground main line and lateral line that will transport pipeline quality natural gas. Both the main line and the lateral line will utilize 8-inch steel pipe. The approximately 5.1-mile-long main line will originate at the Hiland Operating Plant four miles north and eight miles east of Cartwright, North Dakota, and will terminate at and interconnect to Northern Border's transmission pipeline at the Hiland Partners-Northern Border Tap Site, approximately five miles north of Cartwright, North Dakota. The approximately 1,500-foot-long lateral line will extend off of the Project main line and interconnect to the WBI transmission pipeline at a point approximately one-half mile from the Project main line's point of termination at the Northern Border transmission pipeline.
3. Surface facilities installed as part of the Project will include pipeline markers, rectifiers, "pig" launchers and receivers, and block valves. Some small fenced-in enclosures to house associated power and control systems may be installed to allow valves to be operated remotely.

4. The Project right-of-way (“ROW”) will generally be 125 feet wide to allow adequate room for topsoil separation, work equipment and pipe stringing. This ROW will consist of both a permanent easement and temporary workspace, which will be utilized only during construction and includes material staging areas and temporary access roads. The ROW will be wide enough to provide areas for prefabrication of a section of pipeline and storage of top soil/subsoil material. To support construction activities, Hiland Operating will temporarily use property at the Hiland Operating Plant as a contractor staging and pipe storage area. Hiland Operating will use existing public roads to access the ROW, and does not expect to modify roads or construct new permanent access roads.

5. Hiland Operating will utilize the double ditching method of trenching when installing the pipeline, and will abide by the Commission’s requirements regarding topsoil removal, segregation and replacement.

6. Upon completion, the Project will enable transportation of natural gas produced in northwestern North Dakota to two markets: (1) local markets via WBI’s Transmission System; and (2) markets in eastern Illinois and western Indiana via Northern Border’s Transmission System. The Project will provide needed capacity to transport increased production of processed natural gas from the Bakken and Three Forks formations, and will increase utilization of a natural resources (*i.e.*, natural gas) that would otherwise be flared as an unmarketable by-production of oil production.

Pipeline Integrity

7. The Hiland Operating pipeline will utilize 8-inch steel pipe and the maximum allowable operating pressure will be 1625 pounds per square inch. The pipeline will have a maximum capacity of 70 million standard cubic feet per stream day with a typical operating flow of volume of 10 to 50 million standard cubic feet per day.

8. Hiland Operating affirms that the design, construction and operation of the pipeline will be in accordance with the United States Department of Transportation (“DOT”) regulations governing the transportation of natural gas, as prescribed under 49 CFR Part 192.

9. Hiland Operating will implement a preventative maintenance program that meets or exceeds the minimum federal safety standards set by the DOT Pipeline and Hazardous Materials Safety Administration.

Exclusion and Avoidance Areas

10. North Dakota Administrative Code Section 69-06-08-02, sets forth certain criteria to guide the Commission in evaluating the suitability of granting an application for a Certificate of Corridor Compatibility and Route Permit. The criteria as set forth in North Dakota Administrative Code Section 69-06-08-02 are classified as Exclusion Areas, Avoidance Areas, Selection Criteria and Policy Criteria. A transmission facility route must not be sited within an Exclusion Area. A transmission facility route must not be sited within an Avoidance Area unless the applicant shows under the circumstances there are no reasonable alternatives. In determining whether an Avoidance Area shall be designated for a facility, the Commission may consider,

among other things, the proposed management of adverse impacts; the orderly siting of facilities; system reliability and integrity; the efficient use of resources; and alternative routes. In accordance with the Commission's Selection Criteria, a transmission route shall be approved if it is demonstrated that any significant adverse impacts that will result from the location, construction, and maintenance of the transmission facility will be at an acceptable minimum. In accordance with the Commission's Policy Criteria, preference may be given to an applicant demonstrating certain benefits of the transmission facility.

11. Hiland Operating retained Keitu Engineers & Consultants, Inc. ("Keitu"), of Mandan, North Dakota, to conduct and coordinate environmental studies of the corridor. As part of the environmental review for the Project, Keitu reviewed a one-mile wide study corridor centered on the proposed Project route. In addition, Hiland Operating retained Beaver Creek Archeology, Inc. ("Beaver Creek"), to conduct archeological surveys within the corridor.

12. Only one exclusion area was identified within the corridor, *i.e.*, a previously identified archeological site registered with the SHPO located at the very edge of the corridor. The site is not within the route and will not be impacted by construction activities.

13. Three avoidance areas are located within the corridor: residences; a new, unregistered historical resource; and irrigated land.

14. Residences are present within the corridor; however, none of the residences, nor any schools or businesses, are within 500 feet of the route.

15. One new, unregistered archeological find, a stone scraper, was identified within the corridor and adjacent to the route. The archeological find is classified as insignificant and the site has been determined not to be eligible for listing with the National Register of Historic Places ("NRHP").

16. One parcel of irrigated land is present within the corridor and is crossed by the route. However, per North Dakota Administrative Code Section 69-06-08-02(2)(h), irrigated land is not considered an exclusion area for underground transmission facilities, such as the Project. In addition, Hiland Operating has taken steps to avoid impacts to the irrigation system on the parcel, such as placing the route along the edge of the parcel.

Wetlands and Woodlands

17. Wetlands are not present within the corridor and will not be crossed by the route. Wooded draws are present within the corridor, but have been avoided by the route. A few shrubs and trees may be removed, and an inventory of shrubs and small trees that would be affected by the Project has been completed.

Vegetation and Wildlife

18. The Project may result in wildlife habitat removal, due to clearing and construction. The Project will have no significant impact on fish and wildlife resources and no impacts are anticipated to endangered, threatened or sensitive plant or animal species.

Agency Comments

19. The following agencies were contacted by either Hiland Operating or Keitu staff and provided written comments: State Historical Society of North Dakota, State Historic Preservation Office (“SHPO”); the North Dakota Parks & Recreation Department; the North Dakota Game and Fish Department; the North Dakota Department of Health; and the U.S. Fish and Wildlife Service (“USFWS”).

20. The North Dakota Parks and Recreation Department provided information from the North Dakota Natural Heritage biological conservation database for the corridor in its letter dated September 14, 2010. In a September 24, 2010 letter, the North Dakota Game and Fish Department indicated that its primary concerns pertained to the possible disturbance of native prairie, wooded draws and wetlands. In a letter dated November 10, 2010, the North Dakota Department of Health indicated that it believes that the environmental impacts from the Project will be minor. The USFWS provided comments in a letter dated December 9, 2010, which focused on threatened and endangered species, migratory birds, bald and golden eagles, and high value habitat avoidance. Hiland Operating has consulted with these agencies and others and has implemented measures to avoid and minimize effects to biological and environmental resources in the vicinity of the Project.

21. On behalf of Hiland Operating, Beaver Creek completed a Class I Literature Search, as well as a Class III Cultural Resource Inventory. The Class III Cultural Resource Inventory Report prepared by Beaver Creek identified the presence of only one previously documented cultural resource within the corridor, which will not be crossed by the route or disturbed by construction activity. The Class III Cultural Resource Inventory Report also identified the presence of one previously undocumented archeological find, *i.e.*, a stone scraper, within the corridor and immediately adjacent to the route; however, the find has been classified by Beaver Creek as insignificant and not eligible for NRHP-listing. A copy of the Class III Report was provided to the SHPO and, in a letter dated November 1, 2010, the SHPO noted its concurrence with Beaver Creek’s “No Historic Properties Affected” and “No Significant Sites Affected” determinations. Hiland Operating understands and agrees that if any cultural resource, paleontological site, archeological site, historical site, or grave site is discovered during construction, it must be marked, preserved and protected from further disturbances until a professional examination can be made by SHPO, a report of such examination is filed with the Commission, and clearance to proceed is given by the Commission.

Other Findings

22. On December 9, 2010, Hiland Operating executed the Certification Relating to Order Provisions – Facility Siting, with accompanying Tree and Shrub Mitigation Specifications, and said executed document was received as an exhibit at the public hearing.

23. There will be no significant long-term irreversible effects to the environment, wildlife or cultural resources by construction of the Project.

24. The Commission finds the location, construction, and operation of the Project will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.

25. The Commission finds the proposed Project compatible with environmental preservation and the efficient use of resources.

26. The Commission finds that the proposed Project minimizes adverse human and environmental impact while ensuring continuing system reliability and integrity, and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

27. The Commission finds the proposed Project is of such length, design, location and purpose that it will produce minimal adverse effects, so that procedures and time schedules may be waived.

From the foregoing Findings of Fact, the Commission now makes its:

Conclusions of Law

1. The Commission has jurisdiction over the applicant, Hiland Operating, and over the subject matter of this application under North Dakota Century Code Chapter 49-22.

2. Hiland Operating is a utility as defined in North Dakota Century Code Section 49-22-03(13).

3. The proposed pipeline is a transmission facility as defined in North Dakota Century Code Section 49-22-03(12).

4. The location, construction, and operation of the Project will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.

5. The location, construction and operation of the Project are compatible with environmental preservation and the efficient use of resources.

6. The Project will minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

7. The Project is of such design and location that it will produce minimal adverse effects, in accordance with North Dakota Century Code Section 49-22-07.2.

8. It is appropriate for the Commission to waive those requirements as requested in the Application and provided under North Dakota Century Code Section 49-22-07.2.

From the foregoing Findings of Fact and Conclusions of Law, the Commission now issues its:

Order

The Commission orders:

1. Hiland Operating's request that the Commission waive the following requirements is granted: (1) that the Commission hold a separate hearing on Hiland Operating's waiver request, Certificate of Corridor Compatibility application and Route Permit application; (2) separately filed applications for a Corridor Certificate and a Route Permit, and separate publication of notices of filing the applications; and (3) the submission of mylar maps and stereo-pair aerial photographs, per the Commission's Application Guidelines for a Corridor Certificate and a Route Permit.
2. Certificate of Corridor Compatibility Number ___ is issued to Hiland Operating, designating a corridor for its proposed pipeline project.
3. Route Permit Number ___ is issued to Hiland Operating, granting authority to construct and operate an 8-inch natural gas pipeline in McKenzie County.
4. The Certificate of Corridor Compatibility Number ___ and Route Permit Number ___ are effective for the life of the pipeline, but are subject to modification by order of the Commission if deemed necessary to further protect the public or the environment.
5. Hiland Operating shall provide the Commission with engineering design drawings showing the surveyed location of the facility prior to construction, and must obtain approval from the Commission or from Commission Staff prior to any changes in the facility.
6. Hiland Operating shall comply with the rules and regulations of all other agencies having jurisdiction over any phase of the proposed pipeline including all city, township, and county zoning regulations.
7. Hiland Operating shall obtain all other necessary licenses and permits, and shall provide copies of all licenses and permits to the Commission prior to construction activity associated with the pipeline that requires said license or permit.
8. Hiland Operating shall conduct a preconstruction conference prior to commencement of any construction, which must include a Hiland Operating representative, its construction supervisor, and a representative of Commission Staff, to ensure that Hiland Operating fully understands the conditions set forth in this Order.
9. Hiland Operating shall inform the Commission of its intent to start construction on the pipeline prior to the commencement of construction and, once construction has started, it shall keep the Commission updated on construction activities on a weekly basis.
10. The Certificate of Corridor Compatibility and Route Permit are subject to suspension or revocation and may, in an appropriate and proper case, be suspended or revoked for failure to comply with this Order, the conditions and criteria of the Certificate or Route Permit or subsequent modification, or failure to comply with the applicable statutes, rules, regulations, standards, and permits of other state or federal agencies.

11. Hiland Operating shall maintain records that will demonstrate that it has complied with the requirements of this Order and the Certificate of Corridor Compatibility and Route Permit, and that it will preserve these records for Commission inspection at any reasonable time upon reasonable notice.
12. Hiland Operating shall construct and operate the pipeline in the manner described in its application, in any late filed exhibits and supplemental materials, and in accordance with all applicable safety requirements.
13. The pipeline shall be buried to a minimum depth from the ground surface to the top of the pipe of 48 inches in rangeland, 48 inches for cultivated land, 48 inches at the bottom of the ditch for road crossings, and 72 inches across undeveloped section lines.
14. All crossings of graded roads shall be bored unless the responsible governing agency specifically permits Hiland Operating to open cut the road.
15. Hiland Operating shall promptly report to the Commission the presence in the permit area of any critical habitat of threatened species, endangered species, bald eagles, or golden eagles that Hiland Operating becomes aware of and which were not previously reported to the Commission.
16. Construction must be suspended when weather conditions are such that construction activities will cause irreparable damage to roads or land, unless adequate protection measures approved by the Commission are taken.
17. All cultural resource mitigation plans must be submitted to the SHPO and approved prior to the start of any fieldwork and construction activity in the affected area.
18. If any cultural resource, paleontological site, archeological site, historical site, or grave site is discovered during construction, it must be marked, preserved and protected from further disturbances until a professional examination can be made by SHPO, and a report of such examination is filed with the Commission, and clearance to proceed is given by the Commission.
19. All topsoil, up to 12 inches, or topsoil to the depth of cultivation, whichever is greater, over and along trench areas where cuts will be made, must be stripped and segregated from the subsoil. Except along segments of the line using the double ditching method, any area on which excavated subsoil will be placed must also be stripped of topsoil. After backfilling is completed, any excess subsoil must be placed over the excavation area, blending the grade into existing topography. Topsoil must be replaced over areas from which it was stripped only after the subsoil is replaced.
20. Reclamation and maintenance of the right-of-way, pipeline, associated facilities, and roadways is continuous throughout the life of the pipeline.
21. All pre-existing township and county roads and lanes used during construction must be repaired or restored to a condition that is equal to or better than the condition prior to the construction of the pipeline and that will accommodate their previous use, and areas used as

temporary roads or working areas during construction must be restored to their original condition.

22. Reclamation, fertilization, and reseeding are to be done by Hiland Operating according to the Natural Resources Conservation Service recommendations, unless otherwise specified by the landowner and approved by the Commission.

23. Hiland Operating shall comply with the Tree and Shrub Mitigation Specifications attached to this Order.

24. Hiland Operating shall work with landowners and residents to mitigate any increase in television and residential radio interference that results from the route of the pipeline.

25. Staging areas or equipment shall not be located on land owned by somebody other than Hiland Operating unless otherwise negotiated with landowners.

26. Hiland Operating shall remove all waste that is a product of construction and operation, restoration, and maintenance of the site, and properly dispose of it on a regular basis.

27. Hiland Operating shall provide any necessary safety measures for traffic control or to restrict public access to the pipeline.

28. Hiland Operating shall advise the Commission of any extraordinary events which take place at the site of the pipeline, including but not limited to injured workers or private individuals, the death of any threatened or endangered species, or the discovery of a large number of dead birds or bats on the route within five business days of such event.

29. Hiland Operating shall implement a procedure for handling complaints regarding the pipeline.

30. Hiland Operating shall provide the Commission, within 3 months of the completion of the construction, with a copy of the facility alignment drawings with alignment data showing the location of the facility as built (in both paper and electronic form) and an electronic version of the as-built facility design specifications that can be imported into ESRI GIS mapping software. The electronic map data shall be referenced to the North Dakota coordinate system of 1983, North and/or South zones US Survey feet (NAD 83) UTM Zone 13N or 14N feet (NAD 83), or geographic coordinate system (WGS 84) feet. The vertical data must be in the appropriate vertical datum for the coordinate system used. All submissions shall specify the datum in which the data was developed.

31. The authorizations granted by the Certificate of Corridor Compatibility and Route Permit are subject to modification by order of the Commission if deemed necessary to further protect the public or the environment.

PUBLIC SERVICE COMMISSION

**Tony Clark
Commissioner**

**Kevin Cramer
President**

**Brian P. Kalk
Commissioner**

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Hiland Operating, LLC
8-Inch Natural Gas Main & Lateral Pipeline
Siting Application

Case No. PU-10-555

Tree and Shrub Mitigation Specifications

Inventory

1. Trees and shrubs anticipated to be cleared, including those that are considered invasive species or noxious weeds (*e.g., Caragana arborescens, Elaeagnus angustifolia, Rhamnus cathartica, Tamarix chinensis, T. parviflora, T. ramosissima, Ulmus pumila*), must be inventoried before cutting. The inventory shall record the location, number, and species of trees and shrubs.
2. In windbreaks, shelterbelts and other planted areas, trees or shrubs anticipated to be cleared, regardless of size, must be inventoried for replacement.
3. In native growth areas, trees anticipated to be cleared that are 1 inch diameter at breast height ("dbh") or greater shall be inventoried for replacement.
4. In native growth areas, shrubs anticipated to be cleared in the permanent right-of-way must be inventoried for replacement.
5. In native growth areas outside the permanent right-of-way, shrubs must be cut flush with the surface of the ground, taking care to leave the naturally occurring seed bank and root stock intact. If soil disturbance is necessary, the native topsoil must be preserved and replaced after construction. Shrubs must be allowed to regenerate naturally where native topsoil is preserved and replaced. Where native topsoil is not preserved and replaced, shrubs anticipated to be cleared must be inventoried for replacement.

6. In native growth areas, trees and shrubs may be inventoried by actual count or by a sampling method that will properly represent the woody vegetation population. A sampling plan developed by the company, filed with the North Dakota Public Service Commission (“Commission”) and approved prior to the start of construction must define the sampling method to be used for trees, for tall shrubs and for low shrubs. The data from the sample plots must be extrapolated to the total acreage of the wooded area to be cleared to determine the species and quantity of trees and shrubs to be replaced.

Clearing for Construction

7. Trees and shrubs must be selectively cleared, leaving mature trees and shrubs intact where practical.
8. The width of clear cuts through windbreaks, shelterbelts and all other wooded areas is limited to 50 feet or less, unless otherwise approved by the Commission.
9. If the area of trees or shrubs actually cleared differs from the area inventoried, the difference in number of trees and shrubs to be replaced must be noted on the inventory.

Replacement

10. Prior to tree and shrub replacement, documentation identifying the number and variety of trees and shrubs removed, as well as the mitigation plan for the proposed number, variety, type, location and date of replacement plantings, must be filed with the Commission for approval.
11. Tree replacement shall be on a 2 to 1 basis with 2-year-old-saplings. Shrub replacement shall be on a 2 to 1 basis with stem cuttings.
12. Except in the case of invasive species or noxious weeds, trees and shrubs must be replaced by the same species or similar species, suitable for North Dakota growing conditions as recommended by the North Dakota Forest Service.
13. Landowners must be given the option of having replacement trees and shrubs planted off the right-of-way on the landowner's property or waiving that requirement in writing and allowing those replacement trees or shrubs to be planted at alternative locations.
14. At the conclusion of the project, documentation identifying the actual number, variety, type, location and date of the replacement plantings must be filed with the Commission.

15. Tree and shrub replacements must be inspected once a year for three years, on or about the anniversary of the plantings. On or shortly before October 1 of each year, a report must be submitted to the Commission documenting the condition of replacement planting and any woodlands work completed. If after three years from the anniversary of the plantings the survival rate is less than 75%, the Commission may order additional planting(s).

STATE OF NORTH DAKOTA

Certificate of Corridor Compatibility

Number ____

This is to certify that the Commission has designated a transmission facility corridor for Hiland Operating, LLC, to construct and operate approximately 5.1 miles of eight-inch natural gas pipeline with associated facilities and pipeline interconnections in McKenzie County, North Dakota.

The transmission facility route is designated by the Commission's _____, 2010 Order in Case No. PU-10-555.

This certificate is subject to the conditions and limitations noted in that order.

Bismarck, North Dakota, _____, 2010.

ATTEST:

PUBLIC SERVICE COMMISSION

Executive Secretary

Commissioner

STATE OF NORTH DAKOTA

Route Permit

Number ____

This is to certify that the Commission has designated a transmission facility route for Hiland Operating, LLC, to construct and operate approximately 5.1 miles of 8-inch natural gas pipeline with associated facilities and pipeline interconnections in McKenzie County, North Dakota.

The transmission facility route is designated by the Commission's _____, 2010 Order in Case No. PU-10-555.

This permit is subject to the conditions and limitations noted in that order.

Bismarck, North Dakota, _____, 2009.

ATTEST:

PUBLIC SERVICE COMMISSION

Executive Secretary

Commissioner