

November 16, 2010

VIA HAND DELIVERY

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

RECEIVED

NOV 17 2010

PUBLIC SERVICE COMMISSION

RE: Letter of Intent to Submit Combined Application for a Certificate of Corridor Compatibility and a Route Permit for Plains Pipeline, L.P.'s Crude Oil Pipeline Project, and Request for Waiver of One-Year Notice Period

Dear Mr. Nitschke:

Please find enclosed herewith an original plus 10 copies of the LETTER OF INTENT TO SUBMIT COMBINED APPLICATION FOR A CERTIFICATE OF CORRIDOR COMPATIBILITY AND A ROUTE PERMIT FOR PLAINS PIPELINE, L.P.'S CRUDE OIL PIPELINE PROJECT, AND REQUEST FOR WAIVER OF ONE-YEAR NOTICE PERIOD.

Should you have any questions, please advise.

Sincerely,


LAWRENCE BENDER

LB/sal
Enclosures

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1 **PU-10-630** Filed: 11/17/2010 Pages: 6
Letter of Intent

Plains Pipeline, L.P.

Laurence Bender, Fredrikson & Byron

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Fredrikson & Byron, P.A.
200 North Third Street, Suite 150
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RE: Letter of Intent to Submit Combined Application for a Certificate of Corridor Compatibility and a Route Permit for Plains Pipeline, L.P.'s Crude Oil Pipeline Project, and Request for Waiver of One-Year Notice Period

Dear Mr. Nitschke:

Plains Pipeline, L.P. ("Plains Pipeline"), a Texas limited partnership authorized to do business in the State of North Dakota, is filing this Letter of Intent ("LOI") to submit a combined application for a Certificate of Corridor Compatibility and a Route Permit for a crude oil pipeline pursuant to Chapter 49-22 of the North Dakota Century Code and Article 69-06 of the North Dakota Administrative Code. The proposed pipeline will transport crude oil from Trenton, North Dakota to just north of Raymond, Montana at the US/Canadian border (Bakken North Project).

With respect to the right-of-way for the proposed approximately 103 mile long pipeline (44 miles in North Dakota and 59 miles in Montana), Plains Pipeline plans to acquire easements from those landowners within the pipeline route ultimately approved by the North Dakota Public Service Commission ("Commission").

Waiver Request

Plains Pipeline requests a waiver from Section 69-06-03-01 of the North Dakota Administrative Code, which establishes a one-year notice period between filing the LOI and filing a combined application for a Certificate of Corridor Compatibility and a Route Permit. Pursuant to Section 69-06-03-01, the Commission may approve a shorter notice period, and Plains Pipeline requests that the one-year notice period be shortened from one year to two weeks. Plains Pipeline requests a waiver of the one-year notice period in order to allow adequate time to permit and complete construction of the pipeline by December 31, 2011.

Project Overview

As required by Section 69-06-03-02 of the North Dakota Administrative Code, Plains Pipeline provides the following information regarding the proposed pipeline project:

Attorneys & Advisors
main 701.221.4020
fax 701.221.4040
www.fredlaw.com

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200 North Third Street, Suite 150
Bismarck, North Dakota
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Size and Type of Facility

The Bakken North Project will consist of 103 miles of 12.75" OD pipe. Anticipated initial design capacity is 50,000 barrels per day of crude oil originating at or near Plains Pipeline's Trenton, North Dakota terminal and terminating into Plains Midstream Canada's Wascana Pipeline at the US/Canadian border near Raymond, Montana. Once in the Wascana Pipeline, the crude oil will be transported to Regina, Saskatchewan where the pipeline will interconnect with third-party pipeline systems. A minimum of six (6) Valve stations will be located across the 103 miles. A pump station, a 50,000 barrel tank, meters and a pig launcher will be located in the Trenton, North Dakota area.

Area to be Served

The Bakken North Project would provide crude oil transportation service from Trenton, North Dakota, to Regina, Saskatchewan. At Regina, Plains Midstream Canada would connect into third-party carriers that would provide access to Cushing, Oklahoma and/or Petroleum Administration for Defense District II ("PADD II") delivery points.

Map of the Study Area for the Proposed Corridor

Exhibits A and B, attached hereto, are maps that depict the proposed study area for the pipeline corridor.

Anticipated Pipeline Construction Schedule

Plains Pipeline anticipates that the pipeline construction will be completed in Fourth Quarter 2011. Plains Pipeline proposes to develop the pipeline on the following schedule:

- Fourth Quarter 2010 – File a combined application with the Commission for a Certificate of Corridor Compatibility and Route Permit. In addition, Plains Pipeline will, as needed, file applications for permits with local permitting authorities (counties and townships).
- First Quarter 2011 – The Commission and the local permitting authorities grant appropriate certificates and permits for the pipeline.
- Second/Third Quarter 2011 – Begin construction of the pipeline.
- Fourth Quarter 2011 – Complete construction of the pipeline.

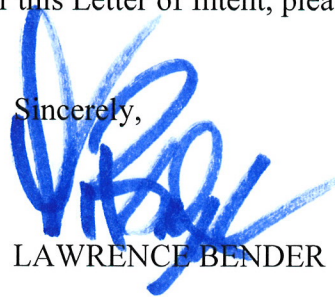
Estimated Total Cost of Construction

The total cost of the pipeline project is estimated to be approximately \$160-\$200 million.

Mr. Darrell Nitschke
November 16, 2010
Page 3

We look forward to working with the Commission on this matter. If you have any questions regarding the proposed pipeline project or this Letter of Intent, please do not hesitate to contact me.

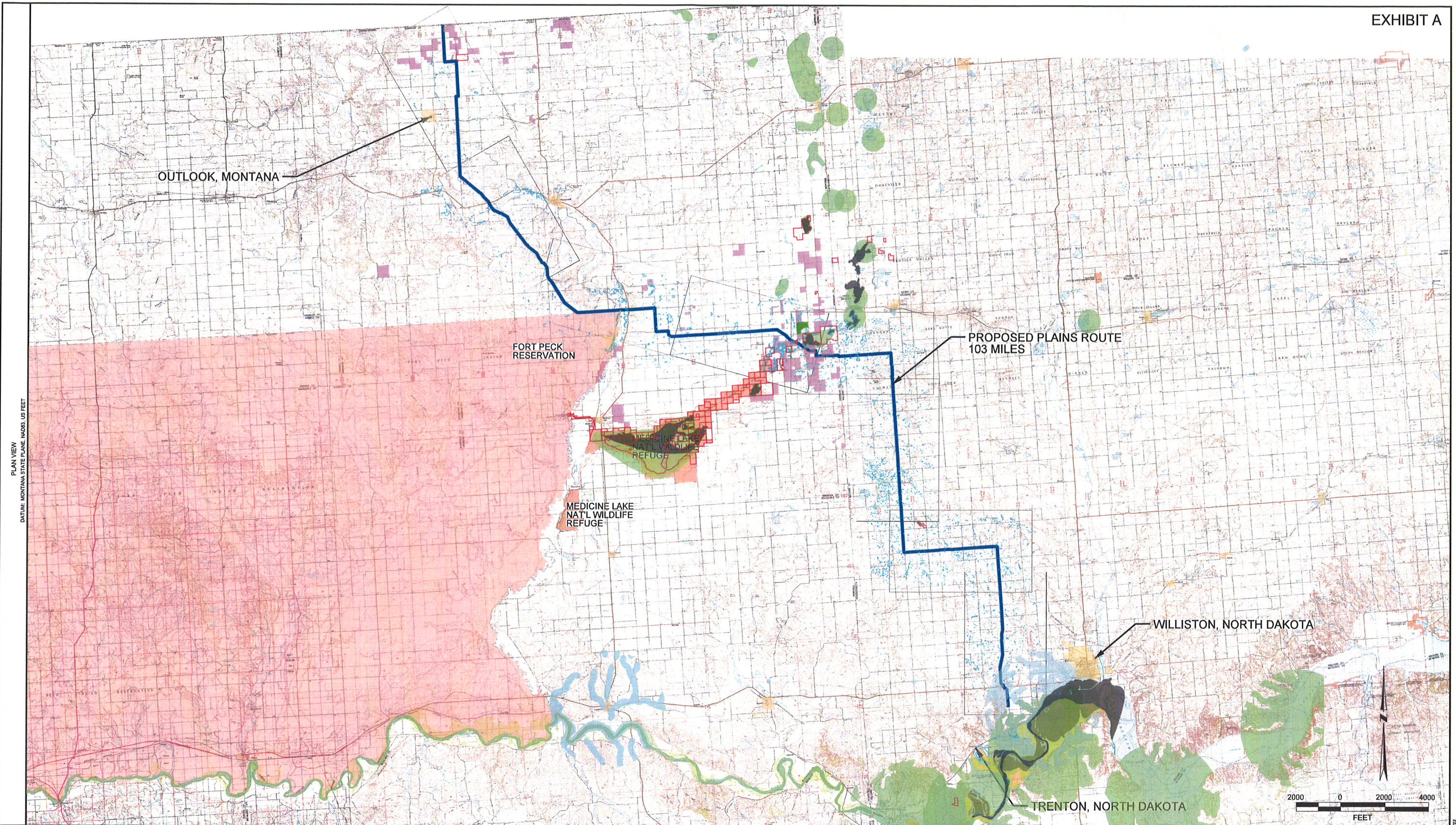
Sincerely,

A handwritten signature in blue ink, appearing to read 'Lawrence Bender', is written over the word 'Sincerely,'. The signature is stylized and somewhat illegible due to the cursive nature of the handwriting.

LAWRENCE BENDER

LB/mms
Enc.
cc: John H. Kyles

4830800_2.DOC



PLAN VIEW
DATUM: MONTANA STATE PLANE, NAD83, US FEET

NOTES

PIPE SUMMARY

FROM	TO	LIN. FT.	TYPE

PIPE SPECIFICATIONS


FROM	TO	LIN. FT.	TYPE	TYPE	DESCRIPTION	LIN. FT.

SPECIFICATIONS

WELDS:	X-RAYS:
TEST PRESSURE:	
M.O.P.:	
CONST. START DATE:	
CONST. END DATE:	
FIELD BOOK	PAGES

REVISIONS

REV. NO.	DESCRIPTION	DWN	CHKD	DATE
A	ISSUED FOR REVIEW	TL	DM	8-21-10
B	ISSUED FOR REVIEW	TL	DM	8-27-10
C	ISSUED FOR REVIEW	TL	DM	11-04-10



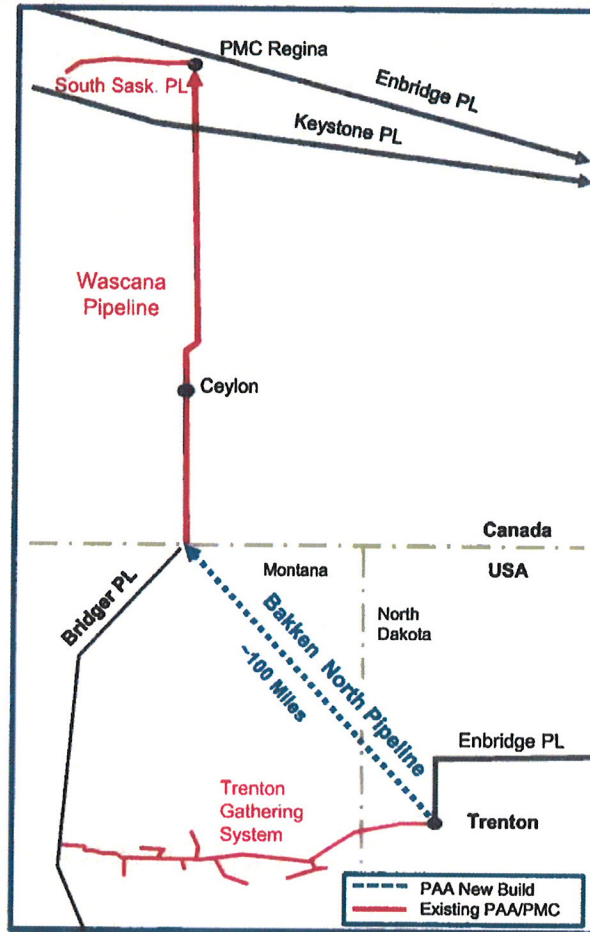
PLAINS PIPELINE, L.P.

**PLAINS FEED STUDY
OVERVIEW MAP
TRENTON, ND TO USA/CANADA BORDER**

SCALE: AS SHWN	DATE	PROJECT NO.	DRAWING NO.
DWN BY: TL	8-21-10		2734M0001
CHKD BY: DM	8-21-10		
ENGR:			REVISION: C

DRAWN BY: TERRY GARDNER, ENGINEER, INC. 8/21/10

PAA Bakken North Project & Existing Bakken Area Assets



Bakken North Project:

- ♦ **Total Cost: \$160 million to \$200 million**
 - Final cost driven by pipeline routing, materials and right of way procurement, and terminalling and connection arrangements
- ♦ **Part I -- Reverse Wascana Pipeline System**
 - 107-miles of 12-inch crude oil pipeline extending from U.S./Canada border to Regina, Saskatchewan
 - 212,000 barrels of tankage
 - Designed throughput capacity up to 77,000 barrels per day
- ♦ **Part II -- Construct Bakken North Pipeline**
 - A 103-mile, 12-inch crude oil pipeline extending from Trenton to U.S./Canada Border and connect with the southern terminus of the Wascana Pipeline System.
 - Initial design capacity of 50,000 barrels per day (expandable to 75,000 barrels per day with installation of additional pumping capacity)

Additional Bakken Assets:

- ♦ **Trenton Gathering System**
 - 285 miles of gathering and mainline pipelines extending from Eastern Montana to Trenton, ND
 - System flows west to Bridger Pipeline and east to Trenton where it connects with an Enbridge Pipeline
 - 5 truck injection stations, which receive crude from production areas in MT and ND
 - 75,000 barrels of tankage;
 - Throughput capacity: ~40,000 barrels per day