

November 23, 2010

**VIA HAND DELIVERY**

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

**RE: Letter of Intent to Submit Application for a Combined Certificate of Corridor Compatibility and a Route Permit for Rangeland Energy, LLC's Crude Oil Pipeline Project, and Request for Waiver of One-Year Notice Period**

Dear Mr. Nitschke:

Please find enclosed herewith for filing an original and ten (10) copies of Rangeland Energy, LLC's Letter of Intent to submit a combined application for a Certificate of Corridor Compatibility and Route Permit for a crude oil pipeline project. Also enclosed herewith is a disk containing the same in PDF format.

Should you have any questions, please advise.

Sincerely,



MOLLIE M. SMITH

MMS/ms  
Enclosure

cc: Mr. Christopher Keene (w/ encl. – via e-mail)  
Mr. Rafael Colaco (w/ encl. – via e-mail)  
Mr. Steve Broker (w/ encl. – via e-mail)  
Mr. Arturo Vivar (w/ encl. – via e-mail)

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

Fredrikson & Byron, P.A.  
200 North Third Street, Suite 150  
Bismarck, North Dakota

58:1 **PU-10-637** Filed: 12/2/2010 Pages: 5  
**Letter of Intent**

December 2, 2010

**VIA HAND-DELIVERY**

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

**RE: Letter of Intent to Submit Application for a Combined Certificate of Corridor Compatibility and a Route Permit for Rangeland Energy, LLC's Crude Oil Pipeline Project, and Request for Waiver of One-Year Notice Period**

Dear Mr. Nitschke:

Rangeland Energy, LLC ("Rangeland Energy"), a Delaware limited liability company authorized to do business in the State of North Dakota, is filing this Letter of Intent ("LOI") to submit an application for a combined Certificate of Corridor Compatibility and Route Permit for a crude oil pipeline project in Williams County, North Dakota, 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 owned by third-party shippers from Rangeland Energy's proposed crude oil loading terminal ("COLT Hub") located near Epping, North Dakota, to a delivery facility that will be located approximately eight miles south of Tioga, North Dakota. From there, connections will be provided to the Enbridge and Tesoro transmission pipelines at their respective Beaver Lodge and Ramberg Stations, as well as to future pipelines constructed in the area, which will facilitate the outbound transportation of North Dakota crude oil to high-value markets.

With respect to the right-of-way for the proposed approximately twenty-mile-long pipeline, Rangeland Energy plans to acquire easements from those landowners within the pipeline route ultimately approved by the North Dakota Public Service Commission ("Commission"). Rangeland Energy is currently negotiating a purchase option with respect to the property upon which the proposed delivery facility would be located.

**Waiver Request**

Rangeland Energy 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 the application for a Certificate of Corridor Compatibility and a Route Permit. Pursuant to

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Bismarck, North Dakota  
58501-3879

Section 69-06-03-01, the Commission may approve a shorter notice period, and Rangeland Energy requests that the one-year notice period be shortened from one year to seven weeks. Rangeland Energy requests a waiver of the one-year notice period in order to allow adequate time to permit and construct the pipeline so that it will be operational before December 31, 2011. Potential customers of the facility have requested the pipeline be in-service as soon as possible to more efficiently transport the area's growing crude oil production to transmission pipelines that provide market access.

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

### **Size and Type of Facility**

The pipeline project will consist of an origin pumping station, approximately twenty miles of 8-inch pipeline, and a facility to deliver into Enbridge tankage at Beaver Lodge and into Tesoro tankage at Ramberg. The pipeline will originate at the proposed COLT Hub near Epping, North Dakota, and will terminate at the project's delivery facility, which will be located south of Tioga, North Dakota, near the Ramberg/Beaver Lodge Pumping Stations. The pipeline system may be constructed to have bi-directional capability so as to allow the transportation of crude oil from Ramberg/Beaver Lodge to the COLT Hub, if such service is requested by shippers. Rangeland is currently working with the pipeline operators at the delivery facility to determine the facility design and operating parameters for the connections.

### **Area to be Served**

The entire pipeline project will be located in Williams County, North Dakota, and will extend from the proposed COLT Hub near Epping, North Dakota, to the project's delivery facility, which will be located approximately eight miles south of Tioga, North Dakota. From there, connections will be provided to the Enbridge and Tesoro transmission pipelines, as well as provisions for future pipelines constructed in the area. The immediate area served by the proposed pipeline project will be northwestern North Dakota; however, the crude oil transported by the proposed pipeline will ultimately be delivered to various areas served by the Enbridge and Tesoro transmission pipelines, as well as any future transmission pipelines.

### **Map of the Study Area for the Proposed Corridor**

Attached hereto as **Exhibit A** is a map that depicts the proposed study area for the pipeline corridor.

### **Anticipated Construction and Operation Schedule**

Rangeland Energy anticipates that the pipeline project will be operational by December 31, 2011. Rangeland Energy proposes to develop the pipeline project on the following schedule:

- **First Quarter 2011** – File a combined application with the Commission for a Certificate of Corridor Compatibility and Route Permit. In addition, Rangeland Energy will, as needed, file applications for conditional use permits for the pipeline project with local permitting authorities (counties and townships).
- **Second Quarter 2011** – The Commission and the local permitting authorities grant appropriate certificates and permits for the pipeline project.
- **Second Quarter 2011** – Complete right-of-way acquisition and detailed engineering, and begin construction of the pipeline project.
- **Fourth Quarter 2011** – Complete construction and commissioning of the pipeline.

**Estimated Total Cost of Construction**

The total cost of the pipeline project is estimated to be approximately \$15 million.

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,



MOLLIE M. SMITH

# COLT Connector Pipeline Project

