



Bismarck Office
116 North 4th Street, Suite 200
Bismarck, North Dakota 58501
Tel 701.258.6622 Fax 701.258.5957
www.swca.com

March 28, 2011

Hand Delivery

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

RE: Letter of Intent
Arrow Pipeline, LLC
4 Bears to CDP Connect Project
McKenzie County, North Dakota

Dear, Mr. Nitschke:

Please find enclosed the original and ten copies of Letter of Intent from Arrow Pipeline, LLC regarding the 4 Bears to CDP Connect Project in McKenzie County, North Dakota.

Please call should you have any questions.

Best regards,

A handwritten signature in blue ink, appearing to be "N Klitzka", written over a light blue horizontal line.

Nelson Klitzka
Project Manager
SWCA Environmental Consultants
116 North Fourth Street, Suite 200
Bismarck, ND 58501

CC
Enclosures:

William McCarthy, E3 Environmental (Via Email)
James Lind, Legion Energy

RECEIVED

MAR 28 2011

PUBLIC SERVICE COMMISSION

1 **PU-11-99** Filed: 3/28/2011 Pages: 4
Letter of Intent

Arrow Pipeline, LLC

Nelson Klitzka, SWCA Envir. Consultants



March 28, 2011

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

RE: Letter of Intent
Arrow Pipeline, LLC
4 Bears to CDP Connect Project
McKenzie County, North Dakota

Dear, Mr. Nitschke:

In accordance with § 49-22-07.1, North Dakota Century Code ("NDCC"), and Chapter 69-06-03, North Dakota Administrative Code ("NDAC"), Arrow Pipeline, LLC ("APL") hereby submits the original and ten copies of this Letter of Intent to file a Consolidated Application for a Certificate of Corridor Compatibility ("Certificate") and Route Permit ("Permit"). The Certificate and Permit would authorize APL to install approximately 1.5 miles of new pipeline. The purpose of the project is to provide a transportation alternative for up to 9,600 barrels per day ("Bpd") of Bakken production, reducing the need for surface transportation and enhancing the marketability of the product.

APL is requesting that the North Dakota Public Service Commission ("PSC") waive, pursuant to § 49-22-07.2, NDCC, and Chapter 69-06-03, NDAC, the requirement to file a Letter of Intent one year prior to filing an Application for Corridor Certificate or a Route Permit. The reason for this request is that this project must be in service as soon as possible in order to serve increased demand for export capacity of crude oil produced in the Williston Basin of North Dakota. APL will be filing a Consolidated Application for a Certificate and Permit on or about May 30, 2011.

The following information is provided to meet § 69-06-03-02, NDAC, requirements for the contents of a Letter of Intent.

1. **Description of the Size and Type of Facility and the Area to be Served.**

This project, referred to as the "Arrow Pipeline, LLC 4 Bears CDP Connect" or "Project", includes the installation of approximately 1.5 miles of new 8-inch diameter pipeline. This Project will serve local producers in McKenzie County, North Dakota. The Project will take delivery of crude from an existing facility located at the eastern terminus of the Project and transport it to the existing 4 Bears Pipeline located at the western terminus of Project. The capacity of this system once fully in service will be approximately 9,600 Bpd.

2. **Map of the Study Area for the Proposes Site or Corridor.**

Please see the attached map depicting the location of the Project.

3. **Anticipated Construction and Operation Schedule.**

APL would like to begin construction as soon as possible. Dependent upon commission approval, APL anticipates initiating construction by July, 2011, and placing the completed Project into service by September, 2011

4. **Estimate of the Total Cost of Construction.**

APL estimates the cost of construction of the proposed Project at \$2.0 million.

Should you have any questions, please contact either Nelson Klitzka, SWCA Environmental Consultants, at (701) 258-6622 or William McCarthy, E3 Environmental, at (651) 319-7456. Thank you for your attention in this matter.

Best regards,

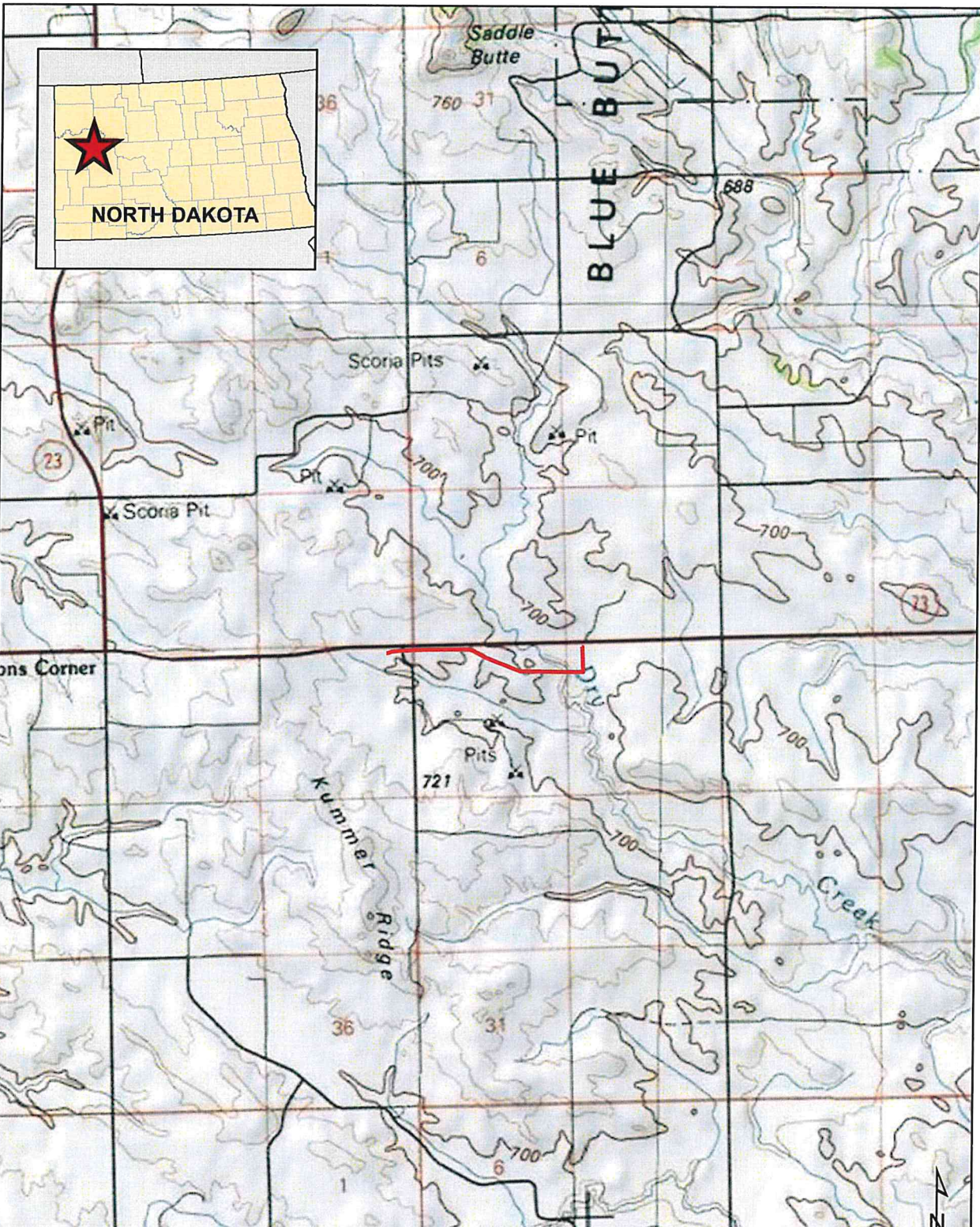
Nelson Klitzka



Nelson Klitzka
Project Manager
SWCA Environmental Consultants
116 North Fourth Street, Suite 200
Bismarck, ND 58501

Attachment: Project Location Map

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ARROW PIPELINE, LLC

McKenzie County, North Dakota
Overview Map

 Proposed Pipeline

