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April 19, 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 Field Services, LLC  
Four 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 Field Services, LLC regarding the Four 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 set of horizontal lines.

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

CC  
Enclosures:

William McCarthy, E3 Environmental (Via Email)

RECEIVED

APR 19 2011

PUBLIC SERVICE COMMISSION

April 19, 2011

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

RE: Letter of Intent  
Arrow Field Services, LLC  
Four 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 Field Services, LLC ("Arrow") 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 Arrow 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.

Arrow 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. Arrow 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 Field Services, LLC Four 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 Proposed Site or Corridor.**

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

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

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

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

Arrow 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,

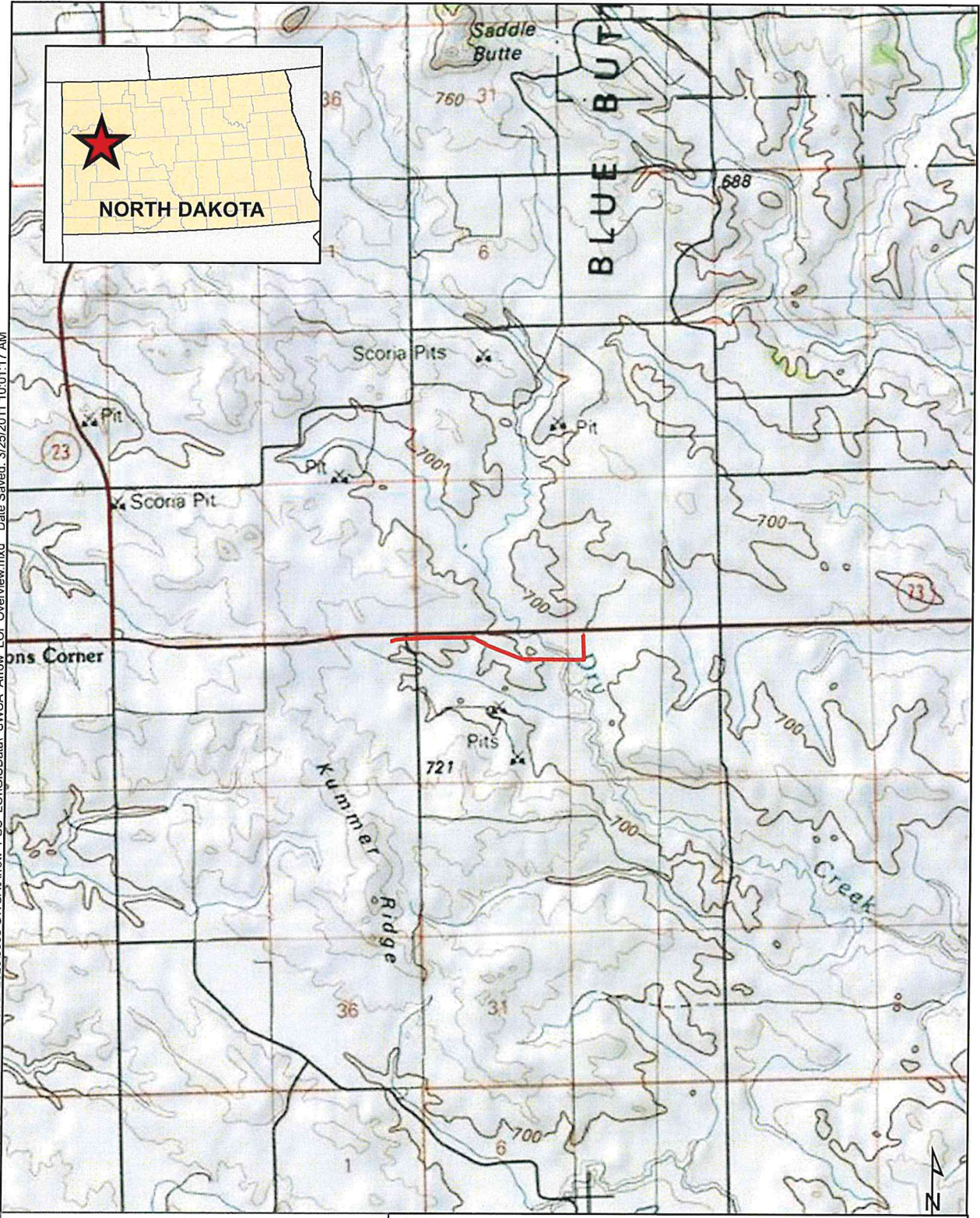


Nelson Klitzka

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

