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April 1, 2011

RECEIVED

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PUBLIC SERVICE COMMISSION

Mr. Darrell Nitschke  
Executive Director  
NORTH DAKOTA  
PUBLIC SERVICE COMMISSION  
600 East Boulevard, Dept. 408  
Bismarck, ND 58505-0480

Dear Mr. Nitschke:

In re: Letter of Intent  
Hess Corporation  
Williams County, North Dakota  
Our File No. 11-024-487

In accordance with § 49-22-07.1, North Dakota Century Code, and Chapter 69-06-03 of the North Dakota Administrative Code, Hess Corporation (“Hess”) respectfully submits one original and ten copies of the Letter of Intent to file an Application for a Certificate of Corridor Compatibility and Route Permit.

The Corridor Certificate and Route Permit would authorize the construction of four pipelines to transport propane, butane and natural gasoline (collectively, “Liquified Petroleum Gas”) from the Tioga Gas Plant, located approximately one mile east of Tioga, North Dakota, to the Tioga Rail Terminal located approximately one mile west of Tioga.

Hess is requesting that the Public Service Commission waive, pursuant to North Dakota Century Code § 49-22-07.2, and Chapter 69-06-03, NDAC, the requirement to file a Letter of Intent one year prior to filing an Application for a Corridor Certificate and Route Permit. The reason for this request is that Hess wishes to commence initial construction activities in 2011. Hess will be filing a combined Application for Corridor Certificate and Route Permit shortly.

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

**1. Description of the size and type of facility in area to be served.**

Hess is proposing to construct approximately 4 miles of LPG pipelines consisting of one 8-inch nominal-diameter pipeline and three 6-inch nominal-diameter pipelines in a common corridor. One 6-inch pipeline is a standby spare pipeline for any of the three main LPG pipelines. The LPG pipelines will commence at the tailgate of Tioga Gas Plant at Tioga, North Dakota and proceed south of the City of Tioga to the Tioga Rail Terminal currently being constructed by Hess on the west side of Tioga.

The pipelines will allow Hess to market liquid products resulting from the processing of casinghead natural gas using the Tioga Rail Terminal. Tioga Rail Terminal will have a LPG loading rack and a rail car storage track system to store rail cars awaiting service from the railroad or product loading at the loading rack. The system is being designed to load 1.3 million gallons per day of liquefied product.

**2. Map of the study area for the proposed site or corridor.**

See attached map showing the location of the LPG Pipelines Project.

**3. Anticipated construction and operation schedule.**

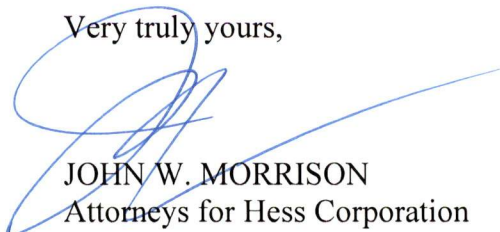
Hess anticipates beginning and completing construction activities in the summer of 2011. The LPG Pipeline Project corridor parallels other non-jurisdictional Hess pipeline projects that will begin in the summer of 2011. Installing the LPG pipelines in conjunction with the non-jurisdictional pipelines reduces the environmental impact of the corridor and reduces costs. The product pipelines would be placed in service as soon as the LPG Loading system at Tioga Rail Terminal becomes operational which is projected to occur in early to mid 2012.

**4. Estimate of costs and construction.**

Hess estimates that the cost of construction of the four 4-mile pipelines is \$5,000,000.00.

Please contact the undersigned should you have any questions. Thank you for your attention to this matter.

Very truly yours,



JOHN W. MORRISON  
Attorneys for Hess Corporation

Enc.