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March 8, 2011

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PUBLIC SERVICE COMMISSION

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

Dear Mr. Nitschke:

In re: Hess Corporation.  
Tioga NGL Project  
Williams County  
Case No. PU-11-104

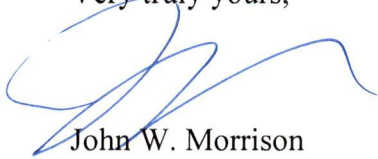
Enclosed for filing are the original and ten copies of the following:

- 1) Hess Corporation's Consolidated Application for Corridor Compatibility Certificate and Route Permit in Williams County, North Dakota, including a Consolidated Application for a Waiver or Reduction of Procedures and Time Frames;
- 2) Hess Corporation's check in the amount of \$25,000; and
- 3) Affidavit of Service by Mail.

We are also enclosing an electronic version of the Application (USB Flash Drive) for your convenience.

Please call should you have any questions.

Very truly yours,



John W. Morrison

Enc.

cc: Williams County Auditor (w/application only)  
Tyler Bohan (w/o enclosures)  
William McCarthy (w/o enclosures)

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF NORTH DAKOTA

Hess Corporation.  
Tioga NGL Project  
Williams County  
Siting Application

CASE NO. PU-11-104

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**CONSOLIDATED APPLICATION OF HESS CORPORATION FOR A WAIVER OR  
REDUCTION OF PROCEDURES AND  
TIME SCHEDULES AND FOR A  
CORRIDOR CERTIFICATE AND ROUTE PERMIT**

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Hess Corporation (“Applicant”) whose address for purposes of this Application is 3015 16<sup>th</sup> Street SW, Suite 20, Minot, ND 58701, pursuant to the Energy Conversion and Transmission Facility Siting Act, codified at North Dakota Century Code Chapter 49-22 (“Act”), hereby submits this Consolidated Application For a Waiver or Reduction of Procedures and Time Schedules and For a Corridor Certificate and Route Permit (“Application”).

Applicant requests that the North Dakota Public Service Commission (“Commission”) waive and/or reduce procedures and time schedules required by the Act or the Commission’s regulations set forth in Title 69-06 of the North Dakota Administrative Code to accomplish the purposes as requested herein. These include, but are not limited to: (1) waive, pursuant to North Dakota Century Code §§ 49-22-07.2, 49-22-13(2), and North Dakota Administrative Code § 69-06-01-02 and Chapter 69-06-06, those provisions of North Dakota Century Code §§ 49-22-08(5), 49-22-08.1(5), 49-22-13, and North Dakota Administrative Code § 69-06-01-02 which require separate filings of applications for corridor certificates and route permits, separate notices of such applications, separate hearings on such applications and certain time schedules as set forth

in said statutes and rules; (2) allow consolidation of the certificate of corridor compatibility application and route permit application into a single consolidated application; (3) approve a one-mile wide corridor rather than the corridor which would otherwise be required pursuant to North Dakota Administrative Code § 69-06-04-02(1)(b); (4) find that the proposed facilities are of such design, length, location and purpose that they will produce minimal adverse affects; and (5) designate and approve the requested facilities as identified in this Application and issue the appropriate corridor certificate and route permit.

The Commission's application guidelines for waiver of procedures and time schedules require the description of the facility, the need for the facility, the cost of the facility and separate justification for each provision of the Act for which the Applicant is requesting a waiver, together with evidence that the project will produce minimal adverse effects or that a demonstrable emergency exists. As demonstrated in this Application, and summarized below, Applicant's requests for waivers and/or reductions of procedures and time schedules and the issuance of a corridor certificate and route permit are justified as the proposed facilities are of such design, length, location and purpose that they will produce minimal adverse effects, and that the pipeline for which approval is sought is essential to allow the expanded Tioga Gas Plant ("TGP"), for which siting has previously been approved by the Commission, to begin processing natural gas and operate at full capacity, thereby minimizing the flaring of natural gas produced in association with oil.

### **DESCRIPTION**

The proposed project ("Tioga Natural Gas Liquids Pipeline" or "TNGLP") consists of construction of three pipelines, including one 8-inch pipeline and two 6-inch pipelines, each of

which will be approximately 3.6 miles in length and located in Williams County, North Dakota. The TNGLP will run originate at the TGP and terminate at the Tioga Rail Terminal (“TRT”).

### **NEED**

The purpose of the TNGLP is to transport butane, propane and natural gasoline (collectively, “Natural Gas Liquids” or “NGLs”) from the TGP to the TRT where the liquids can be shipped via rail to end users. Processing of the natural gas is essential to allow the natural gas produced in association with crude oil to be saved and sold rather than flared. Recovery of NGLs is an essential component of that processing. The TNGLP will allow 63,000 barrels per day of NGLs to be transported to market. Alternatives to the pipeline include trucking, which would result in 265 tanker trucks per day being loaded at the TGP, transported to the TRT, and off-loaded. The other alternative would be shipping the NGLs by railcar, but the economics of building rail facilities and limited space at the TGP make this alternative impractical.

### **COST**

The estimate cost of constructing the pipeline is \$4,050,000.00.

### **JUSTIFICATION**

The environmental and cultural resource studies and reports which have been commissioned by the Applicant for this project demonstrate that there will be minimal adverse effects by construction. As a result, Applicant hereby submits that there is substantial justification for the requested waivers and/or reduction of time schedules and procedures, as the TNGLP will produce minimal adverse effects.

Applicant respectfully requests the Commission to grant the requested waivers and/or reduction of procedures and time schedules; and to render an expeditious decision approving the requested corridor certificate and route permit.

Dated this 7<sup>th</sup> day of March, 2012.

Respectfully submitted,

Hess Corporation.  
CROWLEY FLECK PLLP  
Attorneys for Applicant  
400 North Broadway, Suite 600  
P.O. Box 2798  
Bismarek, North Dakota 58502

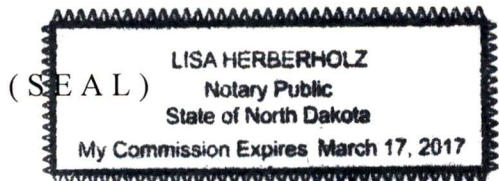
By [Signature]  
JOHN W. MORRISON (#03502)

STATE OF NORTH DAKOTA) )  
COUNTY OF BURLEIGH ) )

John W. Morrison, being first duly sworn on oath, deposes and says that he is the attorney for the applicant herein named, that he has read the above and foregoing application, knows the contents thereof, and that the same is true to the best of this affiant's knowledge, information, and belief.

[Signature]  
JOHN W. MORRISON

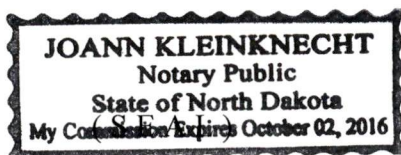
Subscribed and sworn to before me this 8<sup>th</sup> day of March, 2012.



[Signature]  
Lisa Herberholz, Notary Public  
Burleigh County, North Dakota  
My Commission Expires:



Subscribed and sworn to before me this 8<sup>th</sup> day of March, 2012.



*Joann Kleinknecht*

\_\_\_\_\_  
Notary Public  
Burleigh County, North Dakota  
My Commission Expires: