

March 8, 2011

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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  
Vantage Pipeline US, LP  
Williams and Divide Counties, North Dakota  
Our File No. 66-446-001

In accordance with § 49-22-07.1, North Dakota Century Code, and Chapter 69-06-03 of the North Dakota Administrative Code; Vantage Pipeline US, LP (“Vantage Pipeline”) respectfully submits one original and ten copies of this 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 a pipeline to transport ethane within the State of North Dakota from Hess Corporation’s gas plant located at Tioga, North Dakota, in a northwesterly direction to the Canadian border.

Vantage Pipeline is requesting that the Public Service Commission 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 a Corridor Certificate and Route Permit. The reason for this request is that Vantage Pipeline wishes to commence pre-construction clearing and related activities in 2011. Vantage Pipeline will be filing a combined application for Corridor Certificate and Route Permit shortly.

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

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

Vantage Pipeline is proposing to construct approximately 430 miles of ten to twelve-inch inside diameter pipeline commencing at the Hess Corporation's Gas Plant at Tioga, North Dakota, and ending near Empress, Alberta, Canada. Approximately 80 miles of the proposed pipeline will be located within the State of North Dakota.

Ethane is a component of natural gas from the production of oil and gas within the State of North Dakota. Currently ethane is left within natural gas stream. Pursuant to this project, the ethane would be removed from the natural gas stream at Hess's Tioga Plant, and transported in the pipeline where it will exist in liquid form. The purpose of the ethane is to serve as a feedstock to the petrochemical industry.

The initial capacity of the pipeline will be 43,000 barrels per day of ethane, expandable to 60,000 barrels per day. No pump stations will be located within the State of North Dakota. Currently, no pipeline infrastructure exists within the State of North Dakota to transport ethane to market. By virtue of this pipeline an additional economic advantage will exist for producers of natural gas in the State of North Dakota by making more productive use of this resource.

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

See attached map showing the location of the Vantage Pipeline project within the State of North Dakota.

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

Vantage Pipeline anticipates commencing pre-construction clearing and related activities in 2011. Project construction is anticipated to be completed in the summer or fall of 2012. The projected in-service date of the pipeline is the fourth quarter of 2012.

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

Vantage Pipeline estimates that the cost of construction of the entire 430 mile pipeline is \$300,000,000.00 (US); of which the estimated cost of construction within North Dakota is approximately \$60,000,000.00 (US).

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

Very truly yours,

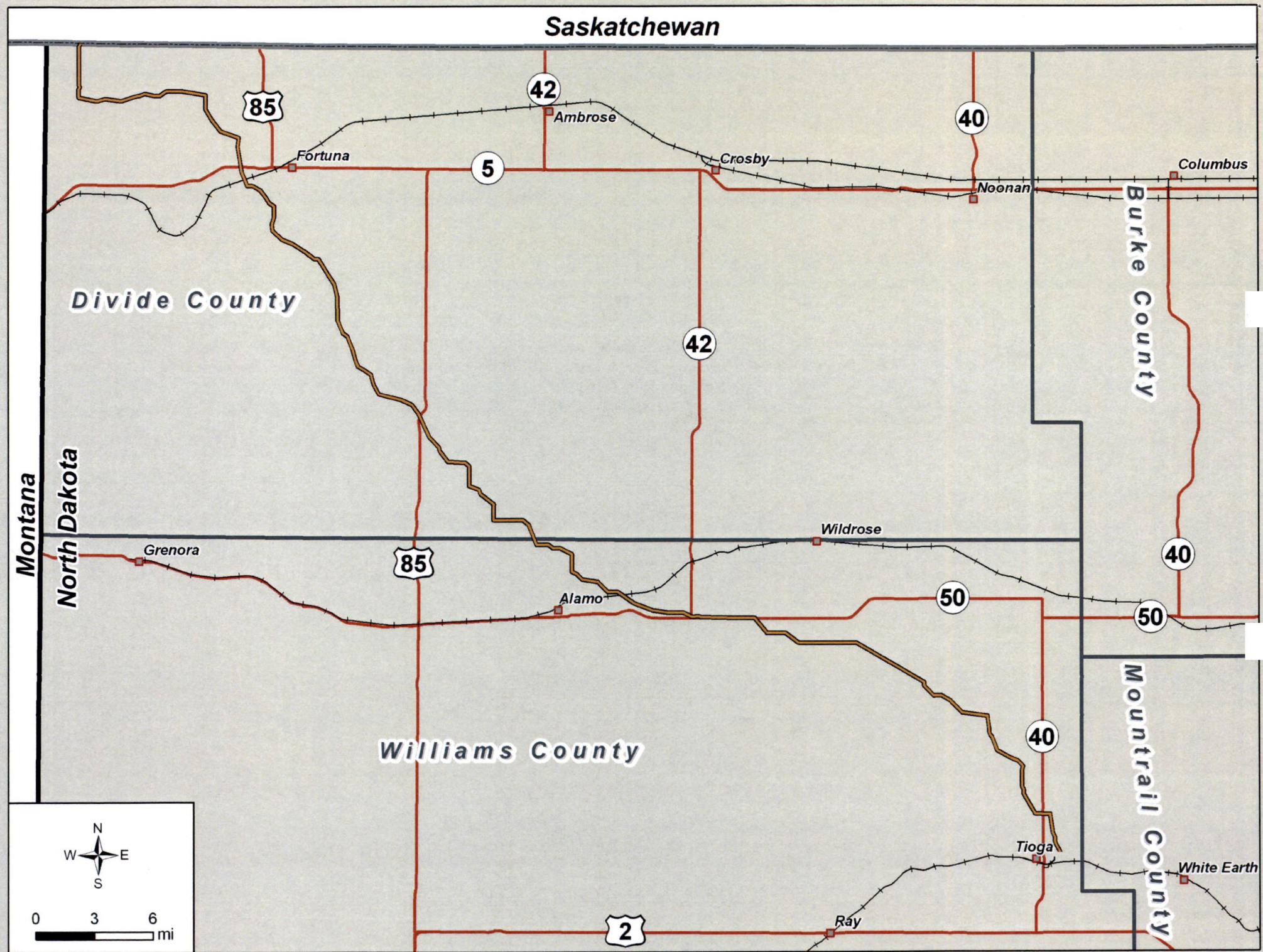


BRIAN R. BJELLA

Attorney for Vantage Pipeline

Enc.

Saskatchewan



Divide County

Burke County

Williams County

Mountrail County

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Fortuna

Ambrose

Crosby

Noonan

Columbus

Grenora

Alamo

Wildrose

Tioga

Ray

White Earth

Montana  
North Dakota

