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PUBLIC SERVICE COMMISSION

August 7, 2012

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

Dear Mr. Nitschke:

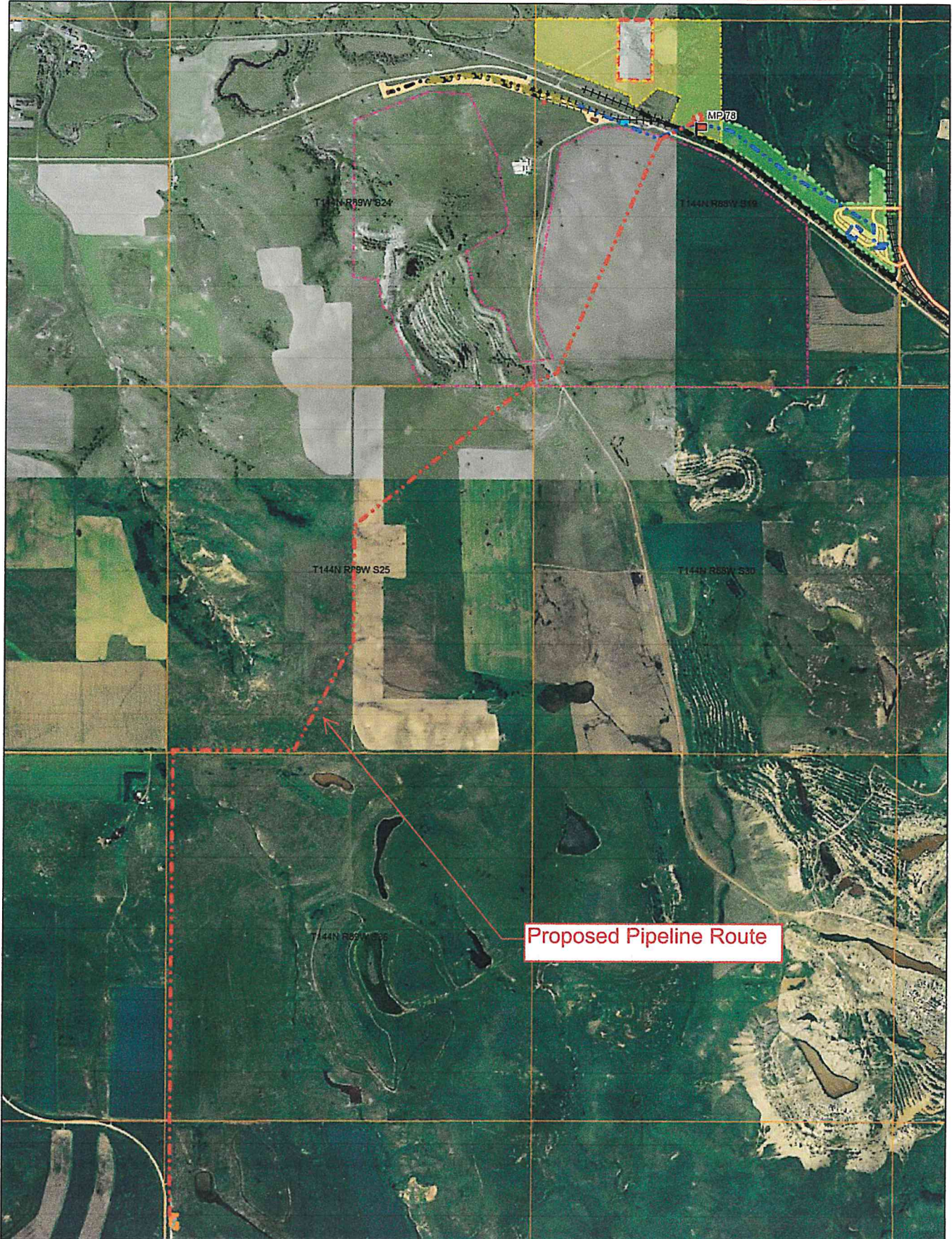
As discussed by phone recently with Patrick Fahn, Basin Transload, LLC is planning to install a crude oil pipeline to connect the Tesoro High Plains Pipeline to its Republic Transloading Site near Zap, North Dakota.

It is anticipated that the proposed 8" pipeline would originate at Tesoro's North Knife River valve station (MP 55.78) in Section 1 of T143N, R89W and proceed north and easterly approximately 4 miles to a crude oil tank to be placed in Section 19 of T144N, R88W. This pipeline would be used to deliver crude oil from the THPP system to Basin Transload's rail loading facility for unit train loading and shipment. As shown on the attached aerial map the project scope is quite limited without any identified impacts to exclusion/avoidance areas, businesses or residences except the direct agricultural impacts which are being addressed directly with the private landowners/leasees.

We anticipate construction to be performed during the 4th quarter of this year, so we are hereby requesting that the route and corridor review processes be combined and a waiver of the one year waiting period for submittal of the application for the corridor and route certificate. We expect to have the application ready to submit in a couple of weeks. Operation is expected to start during the 1st quarter of 2013 and continue for a period of 10 years or more. The overall pipeline construction cost is estimated at about \$2.5 million.

Sincerely,

Ray W. Sheldon, PE
Development Director



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