

August 29, 2012

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PUBLIC SERVICE COMMISSION

HAND DELIVERED

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

RE: Amended Letter of Intent to Submit a Combined Application for a Certificate of Corridor Compatibility and a Route Permit for Basin Transload, LLC's Crude Oil Pipeline Project, and Request for a Waiver of One-Year Notice Period

Dear Mr. Nitschke:

On August 7, 2012, Basin Transload, LLC ("Basin"), a North Dakota limited liability company, filed its Letter of Intent ("LOI") to submit a combined application for a Certificate of Corridor Compatibility and a Route Permit for a crude oil pipeline, pursuant to Chapter 49-22 of the North Dakota Century Code and Article 69-06 of the North Dakota Administrative Code. Basin now submits this Amended LOI in further support of its request to submit a combined application for a Certificate of Corridor Compatibility and a Route Permit.

Basin's proposed pipeline will connect the Tesoro High Plains Pipeline at Tesoro's North Knife River valve station to Basin's Republic Transloading Site near Zap, North Dakota, where the oil will be loaded for rail shipment.

Waiver Request

Basin requests a waiver from Section 69-06-03-01 of the North Dakota Administrative Code, which establishes a one-year notice period between filing this Amended LOI and filing a combined application for a Certificate of Corridor Compatibility and a Route Permit. Pursuant to Section 69-06-03-01, the Commission may approve a shorter notice period, and Basin requests that the one-year notice period be shortened from one year to two (2) weeks. In other words, Basin seeks permission to file its combined application for a Certificate of Corridor Compatibility and Route Permit two (2) weeks after filing this Amended LOI. Basin requests a waiver of the one-year notice period to allow adequate time to permit and complete construction of the pipeline during the fourth quarter of 2012.

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Amended letter of intent

Pages: 4

As required by Section 69-06-03-02 of the North Dakota Administrative Code, Basin provides the following information regarding the proposed pipeline project:

Size and Type of Facility

The proposed crude oil pipeline project will consist of approximately 4 miles of 8-inch outside diameter pipe, as well as possibly block valves, check valves, pumping stations, pig launching and receiving stations. The project will extend from Tesoro's North Knife River valve station in Section 1, Township 143 North, Range 88 West, approximately 4 miles northeast to Basin's rail loading facility in Section 19, Township 144 North, Range 88 West, near Zap, North Dakota.

Area to be Served

This project is designed to deliver up to 40,000 barrels per day of crude oil from Tesoro's North Knife River valve station to Basin's rail loading facility. From there, the crude oil will be transported via rail to out of state markets.

Map of the Study Area for the Proposed Corridor

Exhibit A is a map that depicts the proposed study area for the pipeline corridor. This map was also submitted with Basin's original LOI.

Estimated Construction and Operation Schedule

Basin anticipates that the pipeline project will be operational by the first quarter of 2013. Basin proposes to develop the pipeline on the following schedule:

- **September 2012** — File a combined application with the Commission for a Certificate of Corridor Compatibility and Route Permit. In addition, Basin will, as needed, file applications for conditional use permits with local permitting authorities (county and/or municipal).
- **December 1, 2012** — The Commission and local permitting authorities grant appropriate certificates and permits for the pipeline
- **December 1, 2012** — Begin construction of the pipeline
- **First quarter 2013** — Complete construction of the pipeline

Estimated Total Cost of Construction

The total cost of the pipeline project is estimated to be approximately \$2.5 million.

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Ten (10) copies of this letter, as well as a CD containing this letter in electronic format, are enclosed. We look forward to working with the Commission on this matter. If you have any questions regarding the proposed pipeline project or this Amended Letter of Intent, please do not hesitate to contact me.

Sincerely,

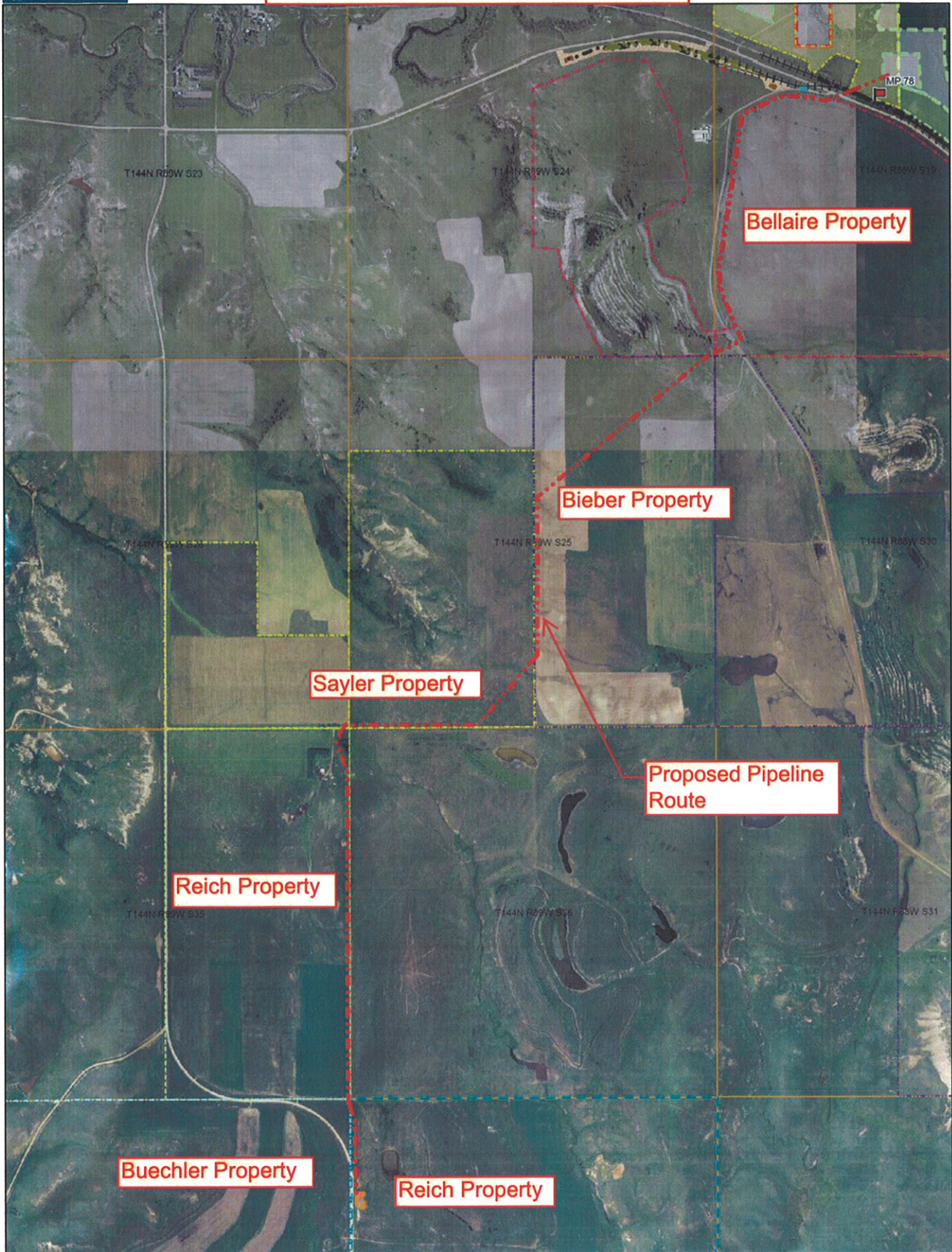


LAWRENCE BENDER

LB/jrr
Enclosure

cc: Ray W. Sheldon (*via e-mail – w/enclosure*)

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