

February 19, 2015

**VIA HAND DELIVERY**

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

**RE: Hiland Crude, LLC - Case Number  
PU-13-136**

Dear Mr. Nitschke:

On November 20, 2014, the North Dakota Public Service Commission (“Commission”) issued an Amended Order granting an Amended Certificate of Corridor Compatibility and Amended Route Permit to Hiland Crude, LLC (“Hiland”), for a crude oil pipeline in McKenzie, Williams, and Mountrail Counties, North Dakota. The Order included the special condition that Hiland obtain waivers from owners of residences within five hundred feet of the pipeline route that were not previously acquired before any construction or operation activities occurred to make the pipeline a transmission facility. The special condition applied to the Tioga segment, the portion of the Plains Delivery segment from the Bethel Injection Station to the Epping Injection station, the Epping to Tioga segment, and the New Town segment. The Order also included the caveat that “[t]o the extent Hiland may be unable to obtain the waivers, it may apply for a reroute to the extent allowed by law.” Per the special condition found in the Order, five waivers were still outstanding for the McGinnity, Vance, Smith, Moline, and Kuester residences.

Enclosed herewith for filing are originals and ten (10) copies of the waivers for the Vance, Smith, Moline, and Kuester residences. Also enclosed is a CD containing the waiver documents in electronic format. With the filing of the additional waivers, the special condition found in the Order has been satisfied with respect to the Epping to Tioga segment and the Plains Delivery segment from the Bethel Injection Station to the Epping Injection station.

Further, on December 17, 2014, Hiland filed with the Commission a Request for Pipeline Route Deviation and Application for an Amendment to the Certificate of Corridor Compatibility and Route Permit (“reroute”) in the vicinity of the McGinnity residence located on the Tioga segment. On January 8, 2015, the Commission deemed Hiland’s reroute application complete and issued a Notice of Filing and Notice of Opportunity for a Hearing

Attorneys & Advisors / Fredrikson & Byron, P.A.  
main 701.221.8700 / 1133 College Drive, Suite 1000  
fax 701.221.8750 / Bismarck, North Dakota  
www.fredlaw.com / 58501-1215

regarding the reroute. Comments and requests for hearing were due to the Commission by February 12, 2015.

Pending approval from the Commission as to the route deviation for the McGinnity residence, the Tioga segment and the New Town segment will also satisfy the special condition contained in the Order, thereby bringing all portions of the Market Center Pipeline in compliance with the Order.

If you should have any questions, please advise.

Sincerely,  
  
LAWRENCE BENDER

LB/dmk  
Enclosures

cc: Mr. Patrick Fahn (*w/ encl. - via e-mail*)  
Mr. Jim Suttle (*w/ encl. - via e-mail*)  
Mr. Ryan Dahl (*w/ encl. - via e-mail*)  
Ms. Kathleen Spilman (*w/ encl. - via e-mail*)  
Ms. Julie Prescott (*w/ encl. - via e-mail*)  
Mr. Mitch Armstrong (*w/ encl. - via e-mail*)  
Mr. Brian Schmidt (*w/ encl. - via e-mail*)

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February 13, 2015

Wade A. & Melissa Smith  
6094 Highway 85  
Williston, ND 58801

RE: Reclassification of Pipeline

Dear Mr. and Mrs. Smith:

Pursuant to the above described easement, Hiland Crude, LLC (formerly named Banner Transportation Company) ("Hiland") constructed a crude oil pipeline on your property and adjacent to your property in 2011/2012. Hiland is in the process of making changes [to portions of this crude oil pipeline] which will result in a change in the regulatory treatment of this crude oil pipeline.

As a result of the above, this crude oil pipeline will be subject to certain North Dakota laws and regulations which previously did not apply. This includes North Dakota Century Code §49-22-05.1 and North Dakota Administrative Code §69-06-08-02 which provide for certain areas located within the vicinity of this pipeline being designated as "avoidance areas." One such geographical avoidance area is the area within 500 feet of an occupied residence. Since there is an occupied residence on your property within 500 feet of Hiland's crude oil pipeline, Hiland is notifying you of this fact. The significance of an "avoidance area" is that in routing transmission facilities (including crude oil pipelines that qualify as transmission facilities), these areas are to be avoided unless there is no reasonable alternative. Since the crude oil pipeline is already built and in operation on property adjacent to your property, Hiland believes there clearly is no reasonable alternative.

Considering that there is an inhabited residence on your property within 500 feet of Hiland's crude oil pipeline, Hiland is requesting that you, as owner of such residence, acknowledge that you do not object to the placement of this pipeline within 500 feet of such residence. While Hiland believes that permission already exists by reason of the existing pipeline, Hiland requests that you confirm this permission by signing in the space provided below.

In exchange for the execution of this waiver and other good and valuable consideration, the parties agree as follows:

1. Wade and Melissa Smith do not object to the placement of the described pipeline within 500 feet of their residence;

2. Hiland will indemnify and hold you harmless from and against any claim or liability or loss from personal injury, property damage resulting from or arising out of the use of the pipeline by Hiland, its servants, agents or invitees, excepting, however, such claims, liabilities or damages as may be solely due to or solely caused by you or your servants, agents or invitees.
3. Hiland is currently operating the subject pipeline as a gathering line and agrees that converting the pipeline to a transmission line will not significantly (if at all) increase the pressure of the pipeline. The current maximum operating pressure of the said pipeline is 1440 psi and the change in usage of the subject pipeline will not increase the pressure beyond 1440 psi. Upon request, Hiland will provide Wade and Melissa Smith with documentary proof substantiating compliance herein;
4. Execution of this agreement by Wade and Melissa Smith is not a release of any liability Hiland may otherwise have to them, their successors and assigns;
5. Hiland will not install additional above ground structures or buildings, of any kind, within ¼ mile of the property boundaries of the property ( as described below) upon which the Smith residence is located, without the expressed written consent of Wade and Melissa Smith, or any successor owner(s) of the property. The property is described as follows:

State Of North Dakota, County of Williams  
Township 156 North, Range 101 West  
Section 36: NW

The parties agree that in the event Hiland, or its successors and assigns, violates the terms of this provision, Wade and Melissa Smith ( or any successors or assigns that own any part of the subject property described herein) shall be entitled to an immediate injunction to permanently stop any such construction and will also be entitled to any other such further damages as may be incurred by them, including but not limited to any legal fees and costs incurred by them in bringing the matter to the Court's attention.

6. This agreement shall be binding on the parties and their successors and assigns, including any and all subsequent owners of any of the land situated within the following:

State Of North Dakota, County of Williams  
Township 156 North, Range 101 West  
Section 36: NW

7. This agreement is contractual and shall be governed by the laws of the State of North Dakota. Any dispute herein shall be venued in the State of North Dakota, County of Williams.

8. Notwithstanding any contrary language contained within the separate Confidentiality Agreement entered into between the parties, either party, after consultation with the other, may record with the Williams County, State of North Dakota, Office of Recorder, a memorandum of the terms and conditions herein against the subject property herein (with the exception of any statements pertaining to monetary consideration which shall remain strictly confidential in all respects). Prior to recording, such memorandum must first be agreed upon by the parties, which agreement shall not be unreasonably withheld so long as the terms of the Memorandum herein comport with the provision of this paragraph.

If you have any questions regarding this matter, please contact me 701-580-8587.

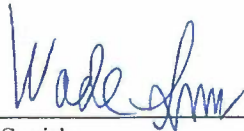
Sincerely,



Ryan Dahl  
Senior Land Coordinator  
Hiland Crude, LLC

Terms #1-8 herein Accepted and Agreed to this

13<sup>th</sup> day of February, 2015



Wade Smith



Melissa Smith



February 6, 2015

Lyle & Dorothy Kuester  
6109 Highway 85  
Williston, ND 58801

RE: Reclassification of Pipeline

Dear Mr. and Mrs. Kuester:

Pursuant to the above described easement, Hiland Crude, LLC (formerly named Banner Transportation Company) ("Hiland") constructed a crude oil pipeline on your property in 2011/2012 Hiland is in the process of making changes [to other portions of this crude oil pipeline not located on your property] which will result in a change in the regulatory treatment of this crude oil pipeline.

As a result of the above, this crude oil pipeline will be subject to certain North Dakota laws and regulations which previously did not apply. This includes North Dakota Century Code §49-22-05.1 and North Dakota Administrative Code §69-06-08-02 which provide for certain areas located within the vicinity of this pipeline being designated as "avoidance areas." One such geographical avoidance area is the area within 500 feet of an occupied residence. Since there is an occupied residence on the property which is subject to the above referenced easement within 500 feet of Hiland's crude oil pipeline, Hiland is notifying you of this fact. The significance of an "avoidance area" is that in routing transmission facilities (including crude oil pipelines that qualify as transmission facilities), these areas are to be avoided unless there is no reasonable alternative. Since the crude oil pipeline is already built and in operation on your property, Hiland believes there clearly is no reasonable alternative.

Considering that there is an inhabited residence on your property within 500 feet of Hiland's crude oil pipeline, Hiland is requesting that you, as owner of such residence, acknowledge that you do not object to the placement of this pipeline within 500 feet of such residence. While Hiland believes that permission already exists by reason of the existing easement with you, Hiland requests that you confirm this permission by signing in the space provided below. In exchange for the execution of this waiver and other good and valuable consideration, Hiland agrees as follows:


1. Hiland will indemnify and hold you harmless from and against any claim or liability or loss from personal injury, property damage resulting from or arising out of the use

of the pipeline by Hiland, its servants, agents or invitees, excepting, however, such claims, liabilities or damages as may be due to or caused by you or your servants, agents or invitees;

2. Hiland will not install additional above ground structures or buildings within ½ mile of your residence unless you agree to the same and agreement will not unreasonably be withheld;
3. Hiland is currently operating the subject pipeline as a gathering line and agrees that converting the pipeline to a transmission line will not significantly (if at all) increase the pressure of the pipeline; and
4. Execution of this agreement by you is not a release of any liability Hiland may otherwise have to you.
5. Hiland Crude, LLC agrees to correct the easement corridor across the "Kuester" property by re-recording the original easement with a corrected plat that will be initialed by Lyle and Dorothy Kuester.

If you have any questions regarding this matter, please contact me at 701-580-8587.


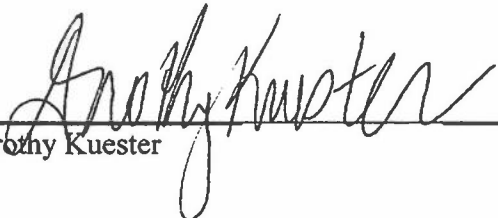
Sincerely,



Ryan Dahl  
Senior Land Coordinator  
Hiland Crude, LLC

Accepted and Agreed to this

11<sup>th</sup> day of July, 2015

  
By: Lyle Kuester  
By: Dorothy Kuester



February 6, 2015

Dale & Arlyss Moline  
6103 Highway 85  
Williston, ND 58801

RE: Reclassification of Pipeline

Dear Dale & Arlyss Moline

:

Pursuant to the above described easement, Hiland Crude, LLC (formerly named Banner Transportation Company) ("Hiland") constructed a crude oil pipeline adjacent to your property in 2011/ 2012 Hiland is in the process of making changes [to other portions of this crude oil pipeline not located on your property] which will result in a change in the regulatory treatment of this crude oil pipeline.

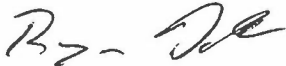
As a result of the above, this crude oil pipeline will be subject to certain North Dakota laws and regulations which previously did not apply. This includes North Dakota Century Code §49-22-05.1 and North Dakota Administrative Code §69-06-08-02 which provide for certain areas located within the vicinity of this pipeline being designated as "avoidance areas." One such geographical avoidance area is the area within 500 feet of an occupied residence. Since there is an occupied residence on the property which is subject to the above referenced easement within 500 feet of Hiland's crude oil pipeline, Hiland is notifying you of this fact. The significance of an "avoidance area" is that in routing transmission facilities (including crude oil pipelines that qualify as transmission facilities), these areas are to be avoided unless there is no reasonable alternative. Since the crude oil pipeline is already built and in operation on your property, Hiland believes there clearly is no reasonable alternative.

Considering that there is an inhabited residence on your property within 500 feet of Hiland's crude oil pipeline, Hiland is requesting that you, as owner of such residence, acknowledge that you do not object to the placement of this pipeline within 500 feet of such residence. While Hiland believes that permission already exists by reason of the existing easement with you, Hiland requests that you confirm this permission by signing in the space provided below. In exchange for the execution of this waiver and other good and valuable consideration, Hiland agrees as follows:

1. Hiland will indemnify and hold you harmless from and against any claim or liability or loss from personal injury, property damage resulting from or arising out of the use of the pipeline by Hiland, its servants, agents or invitees, excepting, however, such claims, liabilities or damages as may be due to or caused by you or your servants, agents or invitees;
2. Hiland will not install additional above ground structures or buildings within ½ mile of your residence unless you agree to the same and agreement will not unreasonably be withheld;
3. Hiland is currently operating the subject pipeline as a gathering line and agrees that converting the pipeline to a transmission line will not significantly (if at all) increase the pressure of the pipeline; and
4. Execution of this agreement by you is not a release of any liability Hiland may otherwise have to you.

If you have any questions regarding this matter, please contact me at 701-580-8587.

Sincerely,



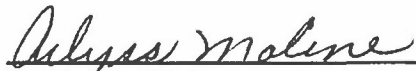
Ryan Dahl  
Senior Land Coordinator  
Hiland Crude, LLC

Accepted and Agreed to this

16 day of Feb, 2015



By: Dale Moline



By: Alyssa Moline



Lavern L. & Julianna Vance  
11404 59th Street NW  
Ray, ND 58849

RE: Reclassification of Pipeline

Dear Mr. & Mrs. Vance:

Pursuant to the above described easement, Hiland Crude, LLC (formerly named Banner Transportation Company) ("Hiland") constructed a crude oil pipeline on property adjacent to your property in 2011/2012. Hiland is in the process of making changes to portions of this crude oil pipeline which will result in a change in the regulatory treatment of this crude oil pipeline.

As a result of the above, this crude oil pipeline will be subject to certain North Dakota laws and regulations which previously did not apply. This includes North Dakota Century Code §49-22-05.1 and North Dakota Administrative Code §69-06-08-02 which provide for certain areas located within the vicinity of this pipeline being designated as "avoidance areas." One such geographical avoidance area is the area within 500 feet of an occupied residence. Since there is an occupied residence on your property within 500 feet of Hiland's crude oil pipeline, Hiland is notifying you of this fact. The significance of an "avoidance area" is that in routing transmission facilities (including crude oil pipelines that qualify as transmission facilities), these areas are to be avoided unless there is no reasonable alternative. Since the crude oil pipeline is already built and in operation on property adjacent to your property, Hiland believes there clearly is no reasonable alternative.

Given that there is an inhabited residence on your property within 500 feet of Hiland's crude oil pipeline, Hiland is requesting that you, as owner of such residence, acknowledge that you do not object to the placement of this pipeline within 500 feet of such residence. While Hiland believes this acknowledgment already exists by reason of the existing pipeline, Hiland requests that you confirm this acknowledgment by signing in the space provided below. If you have any questions regarding this matter, please contact Ryan Dahl at 701-774-6110.

Sincerely,

Michael Higgins  
Hiland Partners

Accepted and Agreed to this  
11th day of November, 20  

Laverne L. Vance

Julianna Vance