

June 18, 2013

VIA HAND DELIVERY

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



**RE: BASIN TRANSLOAD LLC's
10 YEAR PLAN FOR 2013-2023
CASE NO. PU-13-_____**

Dear Mr. Nitschke:

Please find enclosed herewith for filing an original and ten copies of the following:

1. Basin Transload, LLC's Ten-Year Plan: 2013-2023;
2. Basin Transload, LLC's Notice of Filing Ten-Year Plan: 2013-2023; and
3. Affidavit of Service of Ten-Year Plan.

A CD containing a copy of each of the above-referenced documents in PDF format is also enclosed. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lawrence Bender", written over the word "Sincerely,".

LAWRENCE BENDER

LB/jrr

Enclosures

cc: Ray Sheldon

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Bismarck, ND
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1 **PU-13-338** Filed: 6/18/2013 Pages: 10
2013 Ten Year Plan

TEN YEAR PLAN: 2013-2023

Basin Transload, LLC

June 2013

In accordance with Section 49-22-04 of the North Dakota Century Code and Chapter 69-06-02 of the North Dakota Administrative Code, Basin Transload, LLC (“Basin”), submits the following Ten Year Plan for years 2013 through 2023.

- (1) A description of the general location, size, and type of all facilities to be owned or operated by the utility during the ensuing ten years, as well as those facilities to be removed from service during the ten-year period.

Basin does not plan to own or operate any facilities during the next ten years.

Basin does not own or operate any facilities that it plans to remove from service during the next ten years.

- (2) An identification of the location of the tentative preferred site for all energy conversion facilities and the tentative location of all transmission facilities on which construction is intended to be commenced within the ensuing five years and such other information as may be required by the commission. The site and corridor identification shall be made in compliance with the criteria published by the commission pursuant to section 49-22-05.1.

Basin is currently seeking approval from the Public Service Commission (“Commission”) to construct an approximately 4-mile long, 10-inch-diameter steel crude oil pipeline to provide infrastructure needed to transport crude oil produced from several oil fields in northwestern North Dakota (“Zap Pipeline”). The Zap Pipeline will connect Tesoro High Plains Pipeline, LLC’s (“Tesoro”) North Knife River valve station in Section 1-T143N-R89W with Basin’s rail loading facility in Section 19-T144N-R88W of Mercer County. Pending approval from the Commission, Basin intends to commence construction on this project in Fall 2013. Although the Zap Pipeline will be constructed by Basin, it will be owned and operated by Tesoro.

In addition to the Zap Pipeline project discussed above, Basin is currently constructing an approximately 7-mile long, 10-inch-diameter steel crude oil pipeline to provide infrastructure needed to transport crude oil produced from several oil fields in northwestern North Dakota (“Lignite Pipeline”). The Lignite Pipeline will connect Tesoro’s Lignite Station in Section 34-T163N-R92W with Basin’s rail loading facility in Section 3-T162N-R93W of Burke County. Although the Lignite Pipeline is being constructed by Basin, it will be owned and operated by Tesoro.

- (3) A description of the efforts by the utility to coordinate the plan with other utilities so as to provide a coordinated regional plan for meeting the utility needs of the region.

In developing the two above-described pipeline projects, Basin coordinated with affected landowners and adjacent pipeline operators (Enbridge, Tesoro), nearby utility companies (MDU Resources, Western Area Power Administration, and Burke Divide Electric Cooperative), railroads (Canadian Pacific, BNSF, and DMVW), and many local, state, and federal government agencies to eliminate conflicts in land use.

In particular, Basin has coordinated with Tesoro to facilitate the efficient transport of oil to in- and out-of-state markets through interconnections with Tesoro's pipeline system. Basin's core business is developing and operating rail shipping facilities. Basin's key customers have requested greater throughput capacity for the facilities at Stampede and Republic, North Dakota, and truck deliveries alone are insufficient to supply the capacity demanded by Basin's customers. Basin has investigated options to increase the throughput capacity as requested by Basin's customers and determined to construct crude oil pipelines to do so.

- (4) A description of the efforts to involve environmental protection and land-use planning agencies in the planning process, as well as other efforts to identify and minimize environmental problems at the earliest possible stage in the planning process.

Basin followed its environmental protection and land-use coordination policy when planning the above-described crude oil pipelines. Basin employed a qualified environmental consulting firm to conduct a study of and identify avoidance and exclusion areas within the corridors and routes selected, in accordance with Chapter 49-22 of the North Dakota Century Code and Section 69-06-08-02 of the North Dakota Administrative Code. In addition, Basin consulted with local, state, and federal agencies and governmental units to discuss and seek input regarding the pipeline projects, and is in the process of obtaining all necessary permits and approvals.

Additional information regarding the environmental analysis conducted as part of the corridor and route selection process for the Lignite Pipeline project may be found in Basin's Consolidated Certificate of Corridor Compatibility and Route Permit Application for Case No. PU-12-775. Further information regarding the environmental analysis conducted as part of the corridor and route selection process for the Zap Pipeline project may be found in Basin's Consolidated Certificate of Corridor Compatibility and Route Permit Application for Case No. PU-12-675.

- (5) A statement of the projected demand for the service rendered by the utility for the ensuing ten years and the underlying assumptions for the projection, with that information being as geographically specific as possible, and a description of the manner and extent to which the utility will meet the projected demands.

The development of hydrocarbon production in the Williston Basin has increased significantly in recent years due to advancements in deep horizontal directional drilling techniques and subsequent oil extraction in the Bakken and Three Forks shale formations. The total recoverable amount of Bakken and Three Forks oil reserves is subject to interpretation and speculation. Studies conducted by the North Dakota Department of Mineral Resources (NDDMR)¹ and the U.S. Geological Survey² in 2008 and 2010 indicate that 4.0 to 6.3 billion barrels of recoverable reserves are available in North Dakota's Bakken and Three Forks formations. The most recent U.S. Geological Survey information estimated there may be 7.4 billion barrels of oil still undiscovered in the Bakken and Three Forks formations.³ Information from the NDDMR indicates that oil production has increased dramatically over the past five years from nearly 110,000 bpd in 2007 to over 782,000 bpd in March 2013,⁴ and production is expected to continue to increase dramatically.⁵

The major constraint in transporting oil from North Dakota to refining centers is the lack of pipeline capacity. Several major projects have been planned to address the growing volumes of crude oil, but pipeline capacity is not expected to keep pace with the production, leaving incremental volumes to find alternative transportation methods, primarily rail.

With the constraints to the existing transportation infrastructure in the Project area, the above-described projects will provide Basin Transload with a safe and efficient mechanism to transfer crude oil. Additionally, transporting crude oil from Tesoro's pipelines currently involves significant movement of crude oil by tanker truck over public roadways, a public safety

¹ Bohrer, M., Fried, S., Helms, L., Hicks, B., Juenker, B., McCusker, D., Anderson, F., LeFever, J., Murphy, E., and Nordeng, S., North Dakota Department of Mineral Resources. State of North Dakota Bakken Resource Study Project 23 (2008).

² United States Geological Survey. Assessment of Undiscovered Oil Resources in the Devonian-Mississippian Bakken Shale Formation, Williston Basin Province, Montana and North Dakota (2008). Web access in May 2013 at: <http://geology.com/usgs/bakken-formation-oil.shtml>

³ United States Geological Survey. Assessment of Undiscovered Oil Resources in the Bakken and Three Forks Formations, Williston Basin Province, Montana, North Dakota, and South Dakota, 2013. Web access in May 2013 at: <http://pubs.usgs.gov/fs/2013/3013/>.

⁴ North Dakota Department of Mineral Resources. North Dakota Monthly Oil Production Statistics. Web access in May 2013 at <https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf>

⁵ North Dakota Department of Mineral Resources. Activities and Projections. Web access in May 2013 at: <https://www.dmr.nd.gov/oilgas/presentations/ActivityandProjectionsWilliston2010-08-03.pdf>

issue that Basin Transload's projects will prevent. Thus, Basin Transload's projects will provide the needed capacity to transport crude oil production safely and economically from the Bakken and Three Forks formations to facilities with access to major markets.

The facilities outlined in this ten-year plan will produce minimal adverse effects due to their short lengths (only approximately 4 and 7 miles), design (an underground, small-diameter pipeline with no above ground appurtenances within the Corridor), location (crossing pasture and farmland in rural Burke and Mercer Counties and avoiding Exclusion and Avoidance Areas), and purpose (underground transportation of crude oil).

Implementation of Basin Transload's projects will benefit landowners, municipalities and citizens of the State of North Dakota by significantly reducing traffic congestion and impacts on road infrastructure caused by truck transportation. Basin's above-described proposed pipelines will provide a safe, efficient, and economical means of transporting a total of up to 40 million barrels per year of crude oil. They will also benefit oil producers and mineral owners by decreasing dependence upon existing pipeline capacity, which is currently constrained and provide new markets for crude oil product from the Bakken Oil Fields.

The ever-increasing crude oil production in northwest North Dakota, as evidenced by the North Dakota Industrial Commission's latest drilling and production statistics,⁶ indicates that the transportation service provided by Basin's pipelines will continue to be needed during the next ten years and beyond.

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⁶ North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division. "North Dakota Drilling and Production Statistics." Available at: <https://www.dmr.nd.gov/oilgas/stats/statisticsvw.asp> (last accessed May 17, 2013).

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Case No. PU-13-_____

IN THE MATTER OF THE FILING OF A TEN
YEAR PLAN BY BASIN TRANSLOAD, LLC

**NOTICE OF FILING TEN YEAR PLAN
2013-2023**

PLEASE TAKE NOTICE that Basin Transload, LLC. has, this date, in accordance with Section 49-22-04 of the North Dakota Century Code and Chapter 69-06-02 of the North Dakota Administrative Code, filed with the North Dakota Public Service Commission, the Burke County Auditor, and the Mercer County Auditor, a Ten Year Plan for the years 2013 through 2023, which discusses its existing and proposed pipelines located in Burke and Mercer Counties, North Dakota.

Dated this 18th day of June, 2013.

FREDRIKSON & BYRON, P.A.

By 

LAWRENCE BENDER, ND Bar #03908
JILLIAN RUPNOW, ND Bar #06937
Attorneys for Basin Transload, LLC
200 North 3rd Street, Suite 150
P. O. Box 1855
Bismarck, ND 58502-1855
(701) 221-4020

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the following document:

NOTICE OF FILING TEN-YEAR PLAN: 2013-2023

was on the 18th day of June, 2013 served by placing the same in the United States mail, postage prepaid, properly addressed to the following:

North Dakota Aeronautics Commission
P.O. Box 5020
Bismarck, ND 58502-5020

North Dakota Office of Attorney General
State Capitol
600 E. Boulevard Ave.
Dept. 125
Bismarck, ND 58505

North Dakota Dept. of Agriculture
600 E. Boulevard Ave.
Dept. 602
Bismarck, ND 58505-0020

North Dakota Dept. of Health
600 E. Boulevard Ave.
Bismarck, ND 58505-0200

Dept. of Human Services
600 E. Boulevard Ave.
Dept. 325
Bismarck, ND 58505-0250

North Dakota Dept. of Labor
600 E. Boulevard Ave.
Dept. 406
Bismarck, ND 58505-0340

Department of Vocational Education
c/o Career and Technical Education
State Capitol, 15th Floor
600 E. Boulevard Ave., Dept. 270
Bismarck, ND 58505-0610

Economic Development and Finance Commission
North Dakota Dept. of Commerce
PO Box 2057
Bismarck, ND 58502-2057

Energy Development Impact Office
North Dakota State Land Dept.
P.O. Box 5523
Bismarck, ND 58506-5523

North Dakota Game and Fish Department
100 N. Bismarck Expressway
Bismarck, ND 58501-5095

North Dakota Geological Survey
600 E. Boulevard Avenue
Bismarck, ND 58505-0840

Office of Governor Jack Dalrymple
State of North Dakota
600 E. Boulevard Ave.
Bismarck, ND 58505-0001

North Dakota State Highway Department
115 D Street
Richardton, ND 58652

North Dakota Department of Transportation
608 E. Boulevard Ave.
Bismarck, ND 58505-0700

State Historical Society
of North Dakota
612 E. Boulevard Ave.
Bismarck, ND 58505-0830

North Dakota Indian Affairs Commission
600 E. Boulevard Ave.
1st Floor - Judicial Wing, Rm. 117
Bismarck, ND 58505-0300

Job Service North Dakota
P.O. Box 5507
Bismarck, ND 58506-5507

North Dakota State Land Dept.
1707 North 9th Street
P.O. Box 5523
Bismarck, ND 58506-5523

North Dakota Parks and Recreation Dept.
1600 E. Century Ave., Suite 3
Bismarck, ND 58503-0649

Division of Community Services
Dept. of Commerce
1600 E. Century Ave., Suite 2
PO Box 2057
Bismarck, ND 58502-2057

North Dakota State Soil Conservation Committee
c/o NDSU Extension Service
2718 Gateway Ave., Suite 104
Bismarck, ND 58503

North Dakota State Water Commission
900 E. Boulevard Ave., Dept. 770
Bismarck, ND 58505-0850



Lawrence Bender

