

August 15, 2013

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



RE: Request for Jurisdictional Determination and Pipeline Project Consultation
Approximately 22-Mile Crude Oil Gathering Line
McKenzie County, North Dakota

Dear Mr. Nitschke:

NextEra Energy Resources, LLC (NextEra) requests a courtesy jurisdictional determination and review of a proposed project to determine the Public Service Commission's jurisdiction over the proposed project and determine associated permitting and regulatory requirements and other concerns for development of the proposed project.

The proposed project entails construction of approximately 22 miles of crude oil pipeline spanning a portion of northwest McKenzie County. The pipeline and related facilities will be owned and operated by USG Midstream Bakken 1, LLC or its affiliates (USG), a subsidiary of NextEra, and will consist of a 25-foot construction easement and a 50-foot permanent easement with a single 8-inch steel low pressure crude oil pipeline. The project will primarily be located on undeveloped private land and will begin approximately five miles northeast of the intersection of State Highway 16 and State Highway 68.

Crude oil to be transported by USG will be from wells owned by Emerald Oil, Inc. (Emerald) in McKenzie County. Emerald will deliver oil from various wells to a storage facility owned by Emerald. The oil will be delivered from the storage facility to a proposed point of interconnection with USG at its proposed LACT unit (Lease Automatic Custody Transfer) and pump site. From the LACT unit the pipeline will extend to an existing Enbridge Energy Partners, L.P. (Enbridge) site whereby USG will lease a surface site located between U.S. Highway 85 and 39th Street NW, McKenzie, County. At the Enbridge site USG will set its proposed 10,000 barrel tank (40-foot diameter) and LACT unit, and interconnect to Enbridge's existing crude oil pipeline. The proposed project consists of that portion of the pipeline between the LACT unit at the Emerald site to the LACT unit at the Enbridge site. USG intends to negotiate with other producers in the area to ship additional crude oil volumes on the pipeline and to add additional receipt point(s) in the future.

The proposed pipeline is anticipated to initially handle approximately 3,500 barrels per day, growing to a full capacity of 10,000 barrels per day. Distribution from the Enbridge facility will be the responsibility of Enbridge. USG is currently in the process of securing leases with landowners for the proposed project easement. USG will operate and maintain the pipeline and facilities at both of

the LACT unit sites. USG will only provide transportation services for Emerald and will not take title to the oil.

Construction of the project is anticipated to start by October 1, 2013 with a proposed in-service date in late December, 2013. Public roads and other existing private roads will be used to access the project right-of-way. The estimated cost of the project will be approximately \$9 million.

Specific Section, Township, and Range location information for the project site is provided in the table below and also referenced on the enclosed maps.

Specific Township, Range, and Section of Proposed Project

Township	Range	Sections
149 North	102 West	4, 3, 9, 10
150 North	102 West	34, 35, 36
150 North	101 West	6, 7, 18, 19, 30, 31
151 North	101 West	6, 7, 18, 19, 30, 31
152 North	101 West	18, 19, 30, 31

The project corridor is predominantly composed of cultivated or grazed privately owned agricultural land. Please see the enclosed topographic and aerial maps.

We understand that the next Commission hearing is Wednesday, August 21, and respectfully request your review of the proposed project for a determination of the Public Service Commission's jurisdiction at that time. We request a determination relative to the project as well as permitting and regulatory requirements associated with development of the project. We would also appreciate the Commission's review relative to other potential concerns for development of the project of which the Commission may be aware, such as existing easements.

If you have any questions, concerns or require additional information, please feel free to contact me at (281) 725-8267 or Blayne.Gunderman@nee.com.

Sincerely,
NextEra Energy Resources, LLC



Blayne Gunderman
Environmental Services Manager
Gas Infrastructure
601 Travis Street, Suite 1900
Houston, TX 77002

Enclosures: Site Maps

cc: Bassam Abukhodair, NextEra Energy Resources (*electronic*)
Ajey Chandra, NextEra Energy Resources (*electronic*)
Chris Haas, Atwell (*electronic*)

