

September 30, 2013

VIA HAND DELIVERY

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



**RE: BAKKEN OIL EXPRESS PIPELINE
CRUDE OIL PIPELINE — DUNN AND
STARK COUNTIES
CASE NUMBER PU-13-_____**

Dear Mr. Nitschke:

Enclosed for filing, please find an original and ten (10) copies of the following:

1. Bakken Oil Express Pipeline – Ten Year Plan

Also enclosed is a CD containing the above-referenced documents in PDF format. If you have any questions, please let me know.

Sincerely,

JILLIAN RUPNOW

JRR/cs
Enclosures

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1

PU-13-813 Filed: 9/30/2013 Pages: 4
2013 Ten Year Plan

TEN YEAR PLAN: 2013 – 2023
BOE PIPELINE, LLC

September 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, BOE Pipeline, LLC 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.

The current Project consists of approximately 38 miles of 16-inch steel crude oil pipeline extending from Killdeer, North Dakota to a crude oil rail loading facility located near Dickinson, North Dakota. The Project will be located in the following North Dakota counties: Stark and Dunn. The proposed project is depicted on **Exhibit A** (attached).

Two receipt points will be constructed for input of crude oil. Receipt points will consist of a tee installed in the pipeline to allow connection to a truck terminal or other producer related facilities that are not a part of this Project and will be constructed by others.

In September 2013, the Commission received an application from BOE Pipeline for a Certificate of Corridor Compatibility. The in-service date for this project is as follows:

- Killdeer Station to BOE Rail Terminal: February 2014
- (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.

There are no energy conversion facilities associated with the BOE Pipeline project. The proposed pipeline route is depicted in **Exhibit A**.

BOE Pipeline evaluated a study area to determine the best location for the placement of the corridor and route in order to minimize any potential land use and environmental impacts, maximize public benefits, and take into consideration design and construction limitations and economics. The selected location of the route within the corridor was made in compliance with Chapter 49-22-05.1, as discussed in the Application for a Certificate of Corridor Compatibility and Route Permit.

- (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.

BOE Pipeline plans to work with the owners of other crude oil pipelines to develop interconnects to maximize the efficient use of collective pipeline capacity within the Williston Basin. In some cases pipelines do compete for some of the same business which may restrict the ability to coordinate. In the future, additional receipt points may be developed, as well as outlet connections with third party pipelines, including potentially the Tesoro High Plains Pipeline system, and the Bridger Pipeline system. Additionally, the strategic position of the Project will encourage the development of pipeline gathering laterals and receipt points and outlet connections with third party pipelines along the pipeline route.

- (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.

BOE Pipeline has consulted with various federal, state, and local governments, as well as local businesses and residents. Scoping letters presenting BOE Pipeline's proposed pipeline project were mailed to the various agencies and governing units in May and June 2013. The recipients of these letters include but are not limited to the following:

- U.S. Fish and Wildlife Service (USFWS)
- Natural Resource Conservation Service
- U.S. Army Corps of Engineers (USACE)
- Bureau of Reclamation
- U.S. Forest Service (USFS)
- National Park Service
- N.D. Game and Fish Department (NDGF)
- N.D. Parks and Recreation Department (NDPRD)
- N.D. Department of Health (NDDH)
- N.D. Water Commission
- N.D. State Land Department
- N.D. State Historical Preservation Office

The United States Fish & Wildlife Service (USFWS) personnel were contacted during the Project scoping to identify wetland easement areas. The USFWS, NDGF, and NDPRD were asked to review the corridor for threatened and endangered species and unique habitats.

Class I and Class III Cultural Resources Inventories were completed to ensure that no historic properties and no significant sites would be affected.

- (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.

Drilling activity in the catchment area of the pipeline continues to increase. Based on current drilling activity, BOE Pipeline estimates that crude oil production from the Bakken and Three Forks formations will increase significantly beyond the capacity of the BOE Pipeline

pipeline. Further, according to North Dakota Industrial Commission records, North Dakota pumped a record 242 million barrels of oil in 2012; shattering the high set a year earlier by 90 million barrels.¹ Additional crude oil pipelines will be necessary if the drilling activity in the catchment area continues at current levels.

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¹ NDIC, "North Dakota Annual Oil Production." Available at: <https://www.dmr.nd.gov/oilgas/stats/2012formation.pdf> (accessed August 19, 2013).