

December 16, 2013

VIA HAND DELIVERY

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



**RE: BAKKENLINK PIPELINE, LLC
CRUDE OIL PIPELINE —
APPLICATION FOR CERTIFICATE
OF PUBLIC CONVENIENCE AND
NECESSITY**

Dear Mr. Nitschke:

Enclosed for filing, please find an original and ten (10) copies of the following documents in support of BakkenLink Pipeline, LLC's Application for Certificate of Public Convenience and Necessity:

1. Application of BakkenLink Pipeline, LLC;
2. Exhibit A: Map of pipeline;
3. Exhibit B: Copy of Certificate of Formation of BakkenLink Pipeline, LLC;
4. Exhibit C: Certificate of Good Standing from Delaware Secretary of State;
5. Exhibit D: Certificate of Good Standing from North Dakota Secretary of State;
and
6. Exhibit E: Financial statements of BakkenLink Pipeline, LLC.

Also enclosed is a CD containing the above-referenced document in PDF format.

Attorneys & Advisors
main 701.221.4020
fax 701.221.4040
www.fredlaw.com

Fredrikson & Byron, P.A.
200 North 1
Bismarck
58501-387

PU-13-901 Filed: 12/16/2013 Pages: 17
Application for Certificate of Public Convenience & Necessity

Mr. Nitschke
Page 2 of 2
December 16, 2013

If you should have any questions, please advise.

Sincerely,



JILLIAN RUPNOW

Enclosures

cc: Steve Griesser (*via e-mail*)
Darren Snow (*via e-mail*)

28946294_1.DOCX

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

CASE NO. PU-13-____

**IN THE MATTER OF THE APPLICATION
OF BAKKENLINK PIPELINE LLC, FOR A
CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY FOR ITS CRUDE OIL
PIPELINE LOCATED IN BILLINGS,
MCKENZIE, STARK, AND WILLIAMS
COUNTIES, NORTH DAKOTA.**

APPLICATION OF BAKKENLINK PIPELINE LLC

BakkenLink Pipeline LLC (“BakkenLink” or “Applicant”), pursuant to the provisions of Chapter 49-03.1 of the North Dakota Century Code, makes application to the North Dakota Public Service Commission (“Commission”) for a Certificate of Public Convenience and Necessity for its BakkenLink Crude Oil Pipeline (the “Pipeline”). In support of its application, BakkenLink states as follows:

1.

BakkenLink is a Delaware limited liability company that is headquartered at 333 Clay Street, Suite 4060, Houston, Texas 77002 and is authorized to do business in the State of North Dakota.

2.

BakkenLink plans to construct, own, and operate the Pipeline to be located in Williams, McKenzie, Stark, and Billings Counties, which will ultimately consist of approximately 132 miles of pipeline and other facilities to be used initially for the transport of crude oil from Beaver Lodge, North Dakota, to a crude oil rail loading facility located near Fryburg, North Dakota. BakkenLink received its Certificate of Corridor Compatibility and Route Permit for the Pipeline

from the Commission on February 29, 2012, and received Amended Certificates of Corridor Compatibility and Amended Route Permits on September 5, 2012 and April 10, 2013. Currently, 95 miles of the Pipeline are in-service from the proximity of Johnson's Corner in McKenzie County to Fryburg in Billings County. The northernmost segment of the Pipeline, which will extend approximately 37 miles from Johnson's Corner to Beaver Lodge in Williams County, is awaiting final approval and authorization for the crossing of federal lands related to this segment. BakkenLink's expectation is to receive the remaining federal approval and authorization for construction of this last segment in 2014. Future outlets will be developed to connect with other rail loading facilities and existing and future major crude oil transmission systems to reach out-of-state markets.

3.

The sources of the crude oil that will be transported by the Pipeline are the middle Bakken and upper Three Forks formations (the "Bakken") of the Williston Basin. The Pipeline will consist of the following assets:

- Approximately 132 miles of 12-inch-diameter and 8-inch steel trunk lines for the transportation of crude oil from up to seven receipt points, including existing and proposed crude oil truck receipt locations. This trunk line will have bi-directional capability and would deliver to the rail facility near Fryburg and/or facilities near Beaver Lodge.

4.

The Pipeline will initially have seven receipt points, located in Stark, McKenzie, and Williams Counties, North Dakota. The receipt points are located at or near:

- Beaver Lodge, Williams County;
- Keene, McKenzie County;

- Arrow Midstream Terminal, McKenzie County;
- Targa Badlands Terminal, McKenzie County;
- Watford City, McKenzie County;
- Dunn, McKenzie County;
- Belfield Terminal, Stark County, North Dakota.

5.

Included in this application is a map of the Pipeline, which depicts the area in North Dakota that the system will serve. *See Exhibit A.*

6.

BakkenLink seeks authorization to construct, own, and operate the Pipeline as a common carrier in order to fulfill a need for safe and efficient transportation of crude oil and natural gas from wellhead to market.

7.

According to recent presentations by the North Dakota Pipeline Authority and similar forecasts conducted by BakkenLink and third parties, crude oil production from the Bakken is forecasted to increase from approximately 900,000 barrels per day (“BPD”) to approximately 1.3 to over 2.0 million BPD over the next ten years. The majority of the growth will be in the counties traversed by the Pipeline.

8.

Existing crude oil pipeline takeaway capacity is well below production, forcing rail and truck transportation solutions, particularly in the areas in which the Pipeline will be located. Much of the oil is transported from wells in Williams (75%), Billings (57%), and McKenzie (70%) counties by truck.

9.

Further, there is insufficient planned and approved pipeline capacity to meet the anticipated future transportation needs of producers in the Bakken and Three Forks development area, particularly in the area in which the Pipeline will be located. “The Williston Basin: Greasing the Gears for Growth in North Dakota” was published by Bentek Energy, LLC under funding from the North Dakota Pipeline Authority, providing an update regarding the State of North Dakota’s current and forecasted production and projected infrastructure needs. The report, released July 25, 2012, points out that oil production from the Williston Basin soared more than 400% in the 5 years prior to 2012. North Dakota producers have continued to set volume records in 2013. According to the report, oil production from the Williston Basin is expected to continue to grow until 2025. The report also speculated that planned refinery and pipeline projects will not be sufficient to keep up with the increased production. Producers will continue to use more expensive transportation options until additional pipeline capacity is available. BakkenLink is therefore of the opinion that existing pipelines are at or nearing capacity and therefore the Pipeline will not have an effect on other public utilities providing a similar service.

10.

Due to its unique and strategic position through the heart of the developing Bakken, facilitating the transportation of crude oil across the physical barriers of Lake Sakakawea, the Missouri River, and the Little Missouri area, the Pipeline will help address anticipated regional pipeline and outlet constraints as development of the Bakken continues, will encourage development of local gathering systems, and will allow for future outlet connections to other major crude oil transmission systems.

11.

BakkenLink has assembled an experienced management team with the specific expertise and resources to design, construct, own, and operate the Pipeline. BakkenLink was formed with the sole mission of developing this Pipeline, and this team is dedicated to ensuring that this project is completed in an efficient and timely manner. Contractors with extensive experience working in North Dakota and on similar types of gathering and processing systems have been retained to assist BakkenLink in all aspects of the project. The BakkenLink team has experience in the design, construction, and operations of pipeline systems that are very similar to this specific project. BakkenLink has an around-the-clock operations control center located in Billings County to continuously monitor and control in real-time the Pipeline flows and pressures and monitor the physical integrity of the Pipeline using advanced software applications. The control center is staffed by trained pipeline controllers who have qualified as operators, as required by the U.S. Department of Transportation.

12.

A certified copy of BakkenLink's Certificate of Formation was filed with the Commission on August 26, 2011. A copy is included in this application. *See Exhibit B.*

13.

Included in this application is a Certificate of Good Standing from the Delaware Secretary of State indicating BakkenLink is authorized to do business in the State of Delaware. *See Exhibit C.*

14.

Included in this application is a Certificate of Good Standing from the North Dakota Secretary of State indicating BakkenLink is authorized to do business in the State of North Dakota. *See Exhibit D.*

15.

BakkenLink is funded by private investors and financial commitment for the funding of the Pipeline is complete. Attached are Bakkenlink's financial statements. *See Exhibit E.*

16.

In comparison to transporting oil by truck, the Pipeline will provide a cost-effective means of transporting crude oil from oil and gas well sites in northwest North Dakota. It has the potential to reduce the environmental impacts of transportation by truck by reducing the number of truck miles by nearly 8.8 million truck-miles per year. Further, the Pipeline will eliminate the need for multiple and duplicative infrastructure to be constructed and operated by individual producers. While other public utilities exist in the area, those utilities provide insufficient capacity to transport the amount of oil that is forecasted to be produced. North Dakota producers have realized lost revenue in the millions of dollars due to wide fluctuations in price differential. Constrained export capacity and lack of alternative markets make North Dakota crude oil producers vulnerable to these varying price differentials.

17.

Based upon the foregoing, BakkenLink is of the opinion that (1) there is currently and will be in the future a need for the service BakkenLink will provide with the Pipeline; (2) BakkenLink is fit and has the ability to provide this needed service; (3) since the need for additional crude oil pipelines is great, BakkenLink's service will not have any adverse effect

upon other pipeline carriers for hire; (4) the proposed service is adequate or BakkenLink will alter its system to provide adequate service; and (5) BakkenLink has the technical, financial, and managerial ability to provide the services for which it seeks approval from the Commission.

18.

WHEREFORE, BakkenLink requests that its application be noticed for an opportunity for hearing as provided by Chapter 49-03.1 of the North Dakota Century Code and the rules and regulations of the Commission and that thereafter the Commission enter its order granting the relief requested by BakkenLink for the issuance of a certificate of public convenience and necessity for BakkenLink's Pipeline, as described herein.

DATED this 16 day of December, 2013.

FREDRIKSON & BYRON, P.A.

By 

LAWRENCE BENDER, ND Bar #03908

JILLIAN RUPNOW, ND Bar #06937

Attorney for Applicant

BakkenLink Pipeline LLC

200 North 3rd Street, Suite 150

P.O. Box 1855

Bismarck, ND 58502-1855

Phone: (701) 221-4020

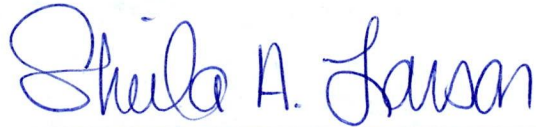
JILLIAN RUPNOW, of lawful age, being first duly sworn, on oath deposes and says:

That he is the duly elected and qualified attorney for Applicant in the foregoing application; that he executed the foregoing application for and on behalf of said Applicant and as its said attorney that he has read said application and knows the contents thereof, and that the statements made and contained therein are, to the best of his knowledge and belief, true and correct.

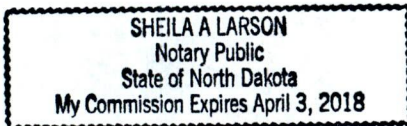


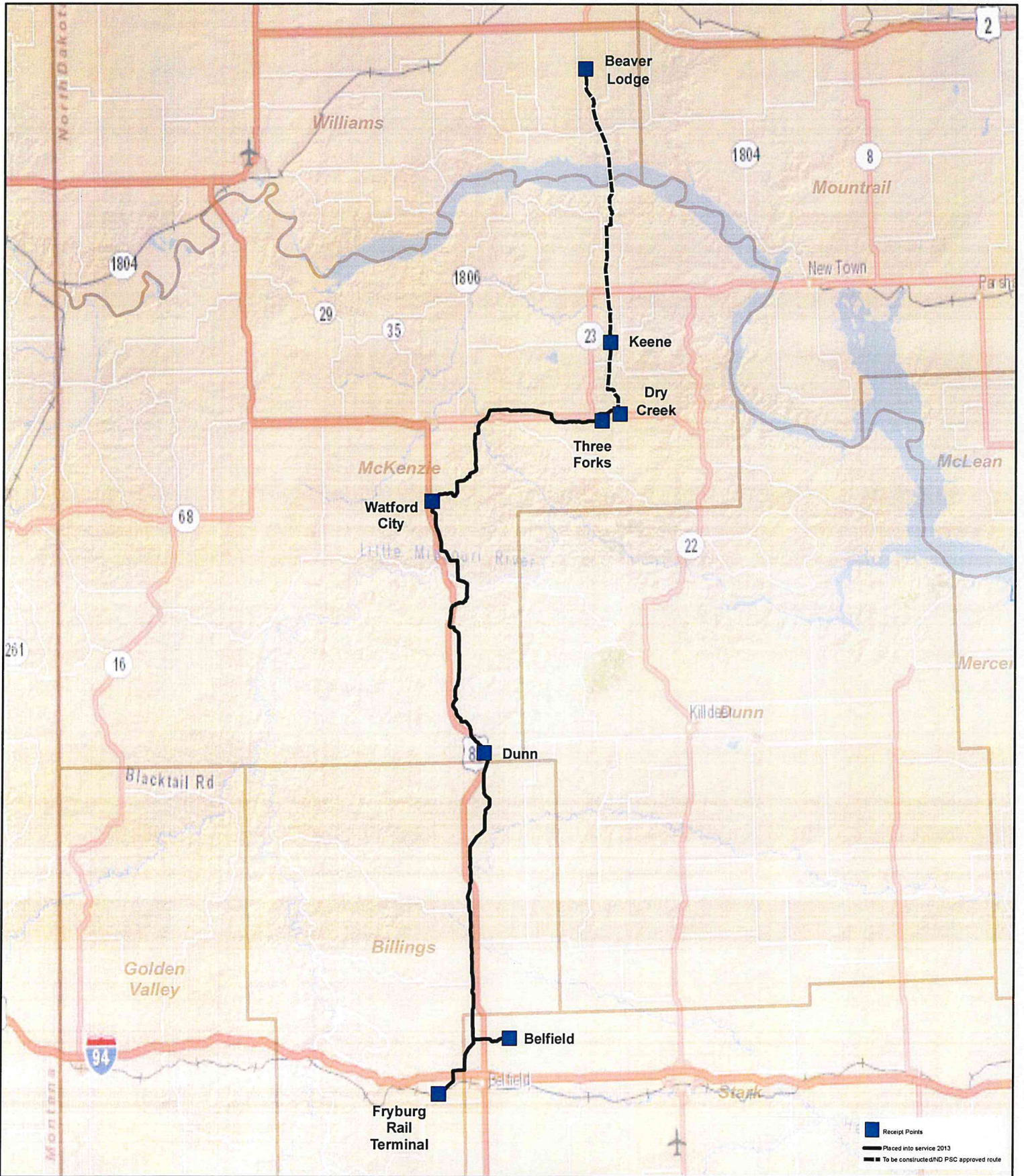
JILLIAN RUPNOW

Subscribed and sworn to before me this 16th day of December, 2013.



Notary Public
Burleigh County, North Dakota
My Commission Expires:





BakkenLink

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:48 PM 09/10/2010
FILED 01:39 PM 09/10/2010
SRV 100898501 - 4870333 FILE

CERTIFICATE OF FORMATION
OF
BAKKENLINK PIPELINE LLC

This Certificate of Formation of BakkenLink Pipeline LLC (the "LLC"), dated September 10, 2010, is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. §18-101, et seq.)

FIRST. The name of the limited liability company formed hereby is BakkenLink Pipeline LLC.

SECOND. The address of the registered office of the LLC in the State of Delaware is c/o Capitol Services, Inc., 615 South Dupont Highway, Dover, Delaware 19901.

THIRD. The name and address of the registered agent for service of process on the LLC in the State of Delaware is Capitol Services, Inc., 615 South Dupont Highway, Dover, Kent County, Delaware 19901.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.



Lorena Nichols
Authorized Person



Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "BAKKENLINK PIPELINE LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE THIRTEENTH DAY OF DECEMBER, A.D. 2013.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "BAKKENLINK PIPELINE LLC" WAS FORMED ON THE TENTH DAY OF SEPTEMBER, A.D. 2010.


AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

4870333 8300

131421808

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 0979387

DATE: 12-13-13

EXHIBIT

C

tabbles

State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF GOOD STANDING OF

BAKKENLINK PIPELINE LLC

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that BAKKENLINK PIPELINE LLC, a FOREIGN LIMITED LIABILITY COMPANY, authorized to transact business in the State of North Dakota on February 24, 2011, and according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing a FOREIGN LIMITED LIABILITY COMPANY.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

BAKKENLINK PIPELINE LLC

Issued: December 13, 2013

A handwritten signature in black ink, reading "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State



BakkenLink Pipeline LLC
Balance Sheet (Unaudited)

(Amounts in thousands)

	<u>As of</u> <u>October 31,</u> <u>2013</u>
Total assets	<u>139,521</u>
Total liabilities and members' equity	<u>139,521</u>



BakkenLink Pipeline LLC
Statement of Income (Unaudited)

(Amounts in thousands)

For the Ten
Months Ended
October 31, 2013

Net income

615

BakkenLink Pipeline LLC
Statement of Cash Flow (Unaudited)

(Amounts in thousands)

	For the Ten Months Ended October 31, 2013
Net increase/(decrease) in cash and cash equivalents	922
Cash and cash equivalents, beginning of period	<u>-</u>
Cash and cash equivalents, end of period	<u><u>922</u></u>