



December 2, 2013

Mr. Darrell Nitschke
State of North Dakota
Public Service Commission
State Capitol
12th Floor, Department 408
600 East Boulevard Avenue
Bismarck, ND 58505



RE: Request for Jurisdictional Determinations of Proposed Crude Oil, High-Pressure Gas, and Natural Gas Liquids Pipelines Associated with Hess' Hawkeye Pipeline System Project

Our Ref: NDP-HBAK-PMG-COR-00002

Dear Mr. Nitschke,

Hess Corporation (Hess) is proposing to construct an approximately 25-mile-long pipeline system connecting Bakken production fields south of Lake Sakakawea to existing processing facilities north of the Lake. The proposed project would transport subsurface crude oil from a new, proposed Hawkeye Central Oil Facility near Keene, North Dakota, and natural gas and natural gas liquids (NGL) from the Hawkeye Compressor Station (and/or proposed Hawkeye Compressor Station Annex) near Charlson, North Dakota, to the Ramberg Truck Facility (crude oil) and the Silurian Compressor Station (natural gas and NGL) near Tioga, North Dakota. A schematic depiction of the Hawkeye Pipeline System Project is provided in Figure 1.

The proposed project includes approximately 25 miles of new pipeline construction connecting the Bakken production field south of Lake Sakakawea to infrastructure north of the Lake. New pipeline construction will tie into the existing pipeline infrastructure to cross Lake Sakakawea. The new and repurposed pipeline system will transport crude oil, natural gas, and NGL, as well as two 24-strand fiber optic cables, from south of Lake Sakakawea in McKenzie County, North Dakota, to either the Ramberg Truck Facility (crude oil line) or the Silurian Compressor Station (natural gas and NGL lines).

Hess has retained Stantec as our environmental consulting contractor responsible for the development of the PSC Corridor and Route Permit Applications, if required. Scott Patti and Jon Alstad of Stantec and Myles Dittus and Suwat Suwansathit of Hess had the opportunity to meet with you and other PSC staff on Wednesday, July 17, 2013, in the PSC Office to discuss whether these facilities would be considered transmission or gathering facilities and also to discuss the PSC requirements for the Corridor and Route Permit Application(s). During this meeting, PSC staff's collective opinion, based on the information provided during the meeting, is that the natural gas and NGL lines appear to be gathering lines, while the oil line appears to be a transmission line. PSC staff also mentioned that an Applicant may request a formal jurisdictional determination of proposed facilities as stated in Chapter 69-06-02.1. Based on this regulation, Hess is formally requesting that the PSC review the information regarding the proposed Hawkeye Pipeline System Project and make a determination as to whether any of the proposed pipelines are transmission (i.e., jurisdictional) facilities (Please see attachment 2 for the minutes of meeting).

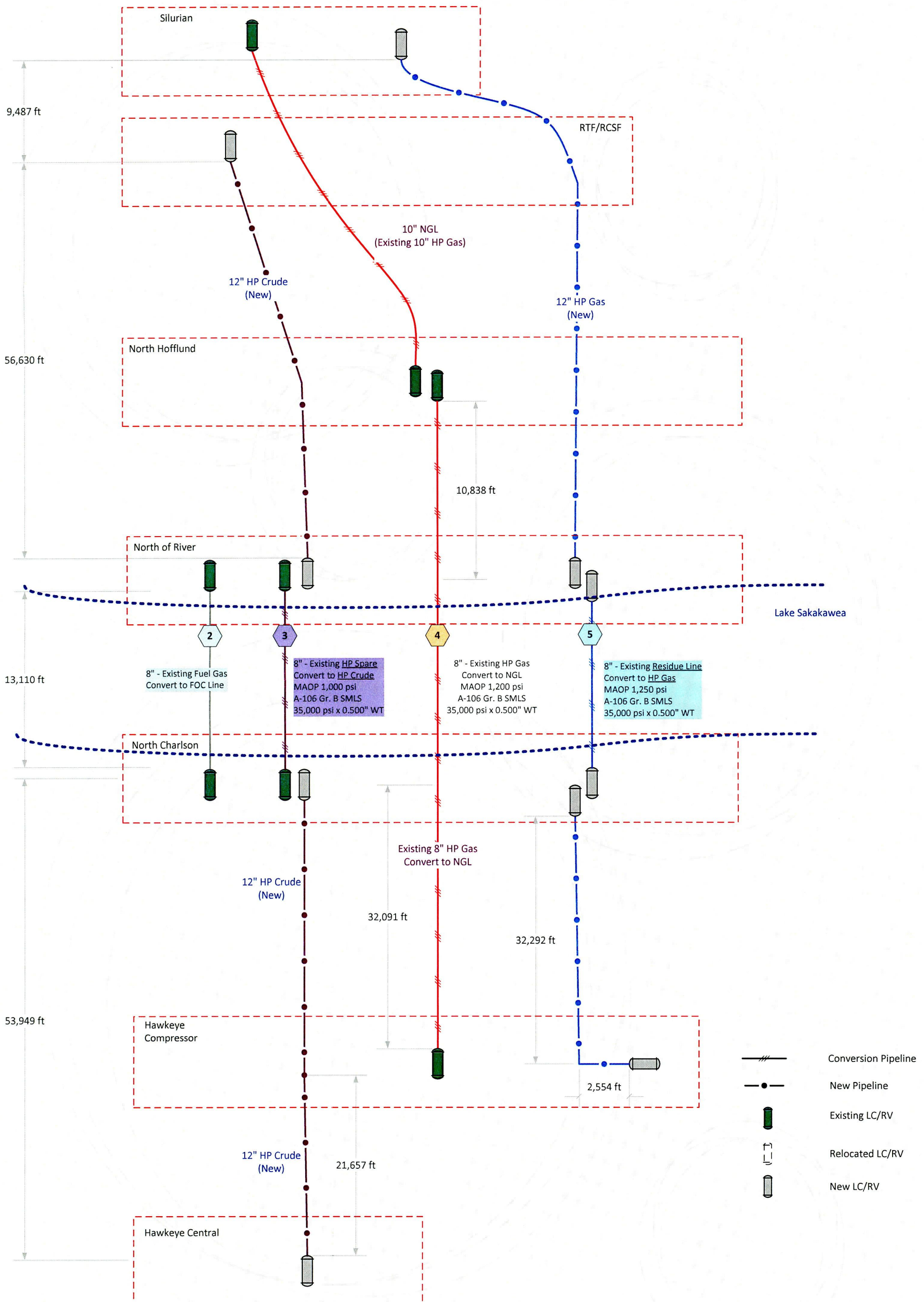
We look forward to receiving your response regarding whether these are transmission or gathering facilities. Stantec will develop a Corridor and Route Permit Application for any of the proposed pipelines that are determined to be transmission facilities.

Thank you,

A handwritten signature in black ink, appearing to read "Murray Jackson". The signature is written in a cursive style with a horizontal line above the first few letters.

Murray Jackson
Hess Corporation

Attachment 1



Attachment 2

Hess Hawkeye Project
North Dakota Public Service Commission Meeting
Meeting Summary Notes

Meeting Participants:

Public Service Commission (PSC) staff – Patrick Fahn (Director of Compliance and Competitive Markets Division), Illona Jeffcoat-Sacco (Chief Counsel), Ryan Norrell (Legal Counsel), and Austin Lafferty (PSC Staff Intern)

Hess Corporation (Hess) – Myles Dittus (Engineer) and Suwat Suwansathit (Engineer) (participated via telephone)

Stantec – Scott Patti and Jon Alstad

Meeting Location: North Dakota Public Service Commission Office – Bismarck, ND

Meeting Date: July 17, 2013

Summary Notes

- **Ten-year Plan**
 - Hess has not submitted a Ten-year Plan this year (annual deadline is July 1st); Hess needs to submit a Ten-year Plan to the PSC as soon as possible.

- **Letter of Intent**
 - A Letter of Intent does not need to be submitted to the PSC since it is no longer a requirement as a result of new legislation.

- **Jurisdiction of Proposed Facilities**
 - Based on the PSC staff's initial interpretation and review of the proposed pipelines, only the crude oil pipeline would be a jurisdictional facility (i.e., a transmission line, rather than a gathering line), which would require development and submittal of Corridor and Route Permit applications.
 - Hess may submit a letter to the PSC requesting a jurisdictional determination for the various pipelines to get an "official" ruling from the PSC.
 - The PSC typically makes jurisdictional determinations within 2 weeks of receiving a request to complete a jurisdictional determination of proposed facilities. The PSC will provide a letter to Hess indicating their jurisdictional determination regarding the proposed pipelines, if/when Hess submits a letter requesting one.

- **Waiver of Procedures and Time Schedules**
 - Hess may submit a Waiver of Procedures and Time Schedules with their Corridor and Route Permit Application package and the application fee.

- An 8.5" x 11" map of the proposed project needs to be provided to the PSC; the map needs to be reduced in size, but still legible, in order to be published in local newspapers.
- **Environmental Assessment**
 - Once the EA has been finalized, the EA can be submitted to the PSC for their project files; however, the EA will not be part of the official docket or submitted as evidence.
- **Spill Risk Assessment and Impact Analysis**
 - The PSC would like Hess to provide the Spill Risk Assessment and Impact Analysis as part of their filing with the Corridor and Route Permit applications.
- **Project Description**
 - The most recent schematic drawing of the project that Stantec has indicates that a new NGL line will be constructed between Hawkeye Central and Hawkeye Compressor. However, during the meeting with PSC, Myles indicated that there will not be a new NGL line constructed between Hawkeye Central and Hawkeye Compressor. We would like to receive an updated/revised schematic drawing showing the project as it is currently designed. The PSC also indicated a desire for having the most recent project description.