



HESS CORPORATION  
1501 MCKINNEY STREET  
HOUSTON, TX 77010

March 12<sup>th</sup>, 2014

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



**RE: Hess Hawkeye Pipeline Project PSC Jurisdictional Determination Back Up**

**Our Ref: NDP-HBAK-PMG-COR-0004**

Dear Mr. Fahn,

As further clarification to our letter reference NDP-HBAK-PMG-COR-0001 and subsequent phone call, please find attached the backup information for the discussed Jurisdictional Determination.

Please don't hesitate to contact me if you have any questions.

Thank you,

Murray Jackson  
Hess Corporation

# Hawkeye Pipeline System Project

## Jurisdictional Determination of Proposed Crude Oil, High-Pressure Gas, and Natural Gas Liquids Pipelines

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 crude oil from a new, proposed Hawkeye Central Oil Facility near Keene, North Dakota, and natural gas and natural gas liquid (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 (Figure 1). A schematic depiction of the Hawkeye Pipeline System Project is provided in Figure 2.

### Crude Oil Pipeline

The proposed new crude oil pipeline would begin at the proposed new Hawkeye Central Oil Facility on lands located south of and adjacent to Hess's existing Hawkeye Central Facility near Keene, North Dakota. The 21.5-mile (plus 2.5-mile lake crossing), 12-inch-diameter crude oil pipeline would extend north across Lake Sakakawea conveying crude oil from south of the river to Hess' existing Ramberg Truck Facility near Tioga, North Dakota.

Jurisdictional Rationale: The crude oil pipeline would transport product from storage tanks located at the Hawkeye Central Oil Facility south of Lake Sakakawea to Hess' existing Ramberg Truck Facility, for further distribution to the market. According to North Dakota Century Code, Chapter 49-22-03.12(b), the Hawkeye Central Oil Facility would be defined as the "first storage site where pressure is increased for further transport" and therefore, the crude oil pipeline would be considered a transmission facility and under the jurisdiction of the North Dakota Public Service Commission.

### High-Pressure Gas Pipeline

The proposed new high-pressure gas pipeline would begin at the new expansion of the existing Hawkeye Compressor Station near Charlson, North Dakota. The 19.7-mile (plus 2.5-mile lake crossing), 12-inch-diameter high-pressure gas pipeline would extend north across Lake Sakakawea conveying natural gas from south of the lake to Hess' existing Silurian Compressor Station near Tioga, North Dakota.

Jurisdictional Rationale: The high-pressure gas pipeline would transport natural gas from the Hawkeye Compressor Station to Hess' Silurian Compressor and on to the Tioga Gas Plant in Tioga, North Dakota for processing. According to North Dakota Century Code, Chapter 49-22-03/12(b), "a gathering system includes the pipelines and associated facilities used to collect [oil] from the lease site to the first pipeline storage site..." The high-pressure gas pipeline is considered part of a gathering system that would move product to the Tioga Gas Plant for processing and therefore, would not be under the North Dakota Public Service Commission's jurisdiction.

# Hawkeye Pipeline System Project

## Natural Gas Liquids Pipeline

Hess proposes to convert an existing, approximately 19.5-mile (plus 2.5-mile lake crossing), 8-inch- and 10-inch-diameter, high pressure natural gas pipeline to NGL service. The NGL service would begin at the new expansion of the existing Hawkeye Compressor Station located near Charlson, North Dakota. The NGL pipeline would extend north across Lake Sakakawea conveying NGLs from south of the river to Hess' existing Silurian Compressor Station near Tioga, North Dakota.

Jurisdictional Rationale: The NGL pipeline would transport NGLs from the Hawkeye Compressor Station to Hess' Silurian Compressor and on to the Tioga Gas Plant in Tioga, North Dakota for processing. According to North Dakota Century Code, Chapter 49-22-03/12(b), "a gathering system includes the pipelines and associated facilities used to collect [oil] from the lease site to the first pipeline storage site..." The Natural Gas Liquids pipeline is considered part of a gathering system to move product to the Tioga Gas Plant for processing and therefore, would not be under the North Dakota Public Service Commission's jurisdiction.