

PARADIGM

ENERGY PARTNERS, LLC

Paradigm Energy Partners, LLC
5949 Sherry Lane, Suite 1060
Dallas, TX 75225

Phone: 214.373.4300

Fax: 214.373.4306

www.paradigmmidstream.com

7/17/2014

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



Mr. Nitschke

Re: Paradigm Midstream Services – ND, LLC
Sacagawea Pipeline Project

Please find the enclosed original and 10 copies of the following documents in support of Paradigm Midstream Services – ND, LLC's Application to the North Dakota Public Service Commission (PSC) for a Certificate of Public Convenience and Necessity for the Sacagawea Pipeline Project.

- Application for a Certificate of Public Convenience and Necessity
- Appendix A: North Dakota Certificate of Authority
- Appendix B: Project Map
- Appendix C: Delaware Certificate of Formation
- Appendix D: Delaware Certificate of Good Standing
- Appendix E: Statements of Financial Commitment

Should you have any questions or require additional information, please contact William McCarthy, at E3 Environmental, LLC, at 651-282-0656 or wmccarthy@go2e3.com.

Sincerely,

Enclosures

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

CASE NO. PU-14-_____

**IN THE MATTER OF THE APPLICATION
OF PARADIGM MIDSTREAM SERVICES -
ND, LLC, FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY FOR ITS
CRUDE OIL PIPELINE LOCATED IN
MCKENZIE AND MOUNTRAIL COUNTIES,
NORTH DAKOTA.**

APPLICATION OF PARADIGM MIDSTREAM SERVICES -ND, LLC

Paradigm Midstream Services - ND, LLC ("Paradigm" 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 Sacagawea Pipeline (the "Pipeline"). In support of its application, Paradigm states as follows:

1.

Paradigm is a Delaware limited liability company that is headquartered in Dallas Texas and is authorized to do business in the State of North Dakota since April 28, 2014 (see Appendix A).

2.

Paradigm plans to construct, own, and operate the Pipeline to be located in McKenzie and Mountrail Counties. The Project consist of approximately 70 miles of pipeline and other facilities to be used for the transport of crude oil from Johnson's Corner in McKenzie County, North Dakota, to Dakota Plains Holdings, Inc.'s Pioneer crude oil transloading facility located in New Town in south Mountrail County, North Dakota. The pipeline will then extend from the Pioneer facility to Enbridge's Stanley Station located at the town of Stanley in north Mountrail County. There, it will tie into Enbridge's North Dakota pipeline and Sandpiper pipeline systems which connect to Enbridge's Berthold Rail facility and additional pipeline capacity downstream of Berthold, North Dakota. The proposed Pipeline will provide intrastate pipeline capacity for delivery of crude oil to multiple refineries and markets throughout the region.

Paradigm is seeking a Certificate of Public Convenience and Necessity to facilitate routing, engineering design and environmental studies required to compile the Certificate of Corridor Compatibility and Route Permit applications for submittal to the Commission for review. In order to avoid additional potentially lengthy delays due in part to seasonal inclement weather conditions, Paradigm respectfully requests that its Certificate of Public Convenience and Necessity be issued by the Commission on or before September 1, 2014.

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 70 mile long Pipeline will consist of approximately 34 miles of 20-inch-diameter steel trunk line and 36 miles of 16-inch diameter trunkline for the transportation of crude oil from one or more receipt points in McKenzie County with various delivery points to existing rail and pipeline transmission locations in Mountrail County.

4.

The Pipeline will initially have one (1) receipt point, located at Johnson's Corner in McKenzie and four potential delivery points located at or near:

- Pioneer crude oil transloading facility, New Town, Mountrail County;
- Enbridge's Stanley Station, Stanley, Mountrail County;
- Enbridge's Sandpiper Pipeline, Stanley, Montrail County;

5.

A map of the Pipeline, which depicts the area in North Dakota that the system will serve in included in Appendix B.

6.

Paradigm seeks authorization to construct, own, and operate the Pipeline as a common carrier in order to fulfill a need for safe and efficient intrastate transportation of crude oil from various locations associated with production fields located south of the Missouri River to transfer points located north of the Missouri River with the existing capacity and infrastructure to move the resource to various national markets.

7.

Paradigm has identified a need to provide service to the crude oil producers with operations located south of the Missouri River. Access to reliable interstate transportation services for crude oil is largely concentrated geographically to the area north of the Missouri River. The capacity of existing intrastate infrastructure to move crude from the production fields south of the Missouri River to the northern transportation hubs is limited; current estimates suggest this capacity is considerably less than 100,000 barrels per day (bpd) while the production of crude south of the Missouri has conservatively been estimated to be approximately 400,000 bpd. In the absence of other viable transportation alternatives for the balance of daily production, which is estimated to be approximately 300,000 bpd, producers are limited to overland trucking of their crude to reach the desirable transfer points north of the Missouri River with access to broader range of markets nationwide.

8.

The existing intrastate infrastructure for crude oil takeaway capacity is well below current and forecasted production levels. In McKenzie County an estimated 70% of the crude oil production is currently transported overland by truck.

9.

The proposed Pipeline would have no effect on existing infrastructure. The excess capacity to be serviced by the proposed Pipeline has been building and available for other utilities to act upon for an extended period of time; the absence of proposed project development during this time period supports the conclusion that existing utility infrastructure will experience no harm by this development. The Pipeline would offer approximately 230,000 bpd capacity to the region which is currently producing an estimated 400,000 bpd but is constrained to less than 100,000 bpd of take away capacity offered by existing utility services. As such approximately 70,000 bpd of production would remain for the consideration of existing utilities.

10.

The proposed Pipeline would increase access to crude markets nationwide to producers who are currently geographically constrained by the lack of intrastate infrastructure and the available capacity of existing transportation alternatives offered south of the Missouri River.

The proposed Pipeline will offer producers intrastate transportation service from McKenzie County with delivery options to multiple transfer locations that have access to premium markets via rail transportation on Canadian Pacific Line (Class 1 Rail) at

the Pioneer facility or the Burlington Northern Santa Fe's Line (Class 1 Rail) at the Enbridge Berthold Rail facility, as well as to various pipeline markets serviced by the Enbridge pipeline system. As such, the proposed Pipeline would provide producers with access to East Coast, West Coast and Gulf Coast rail markets, as well as multiple pipeline and refinery markets at Clearbrook, the Upper Great Lakes, Cushing, the Midwest and the Gulf Coast.

11.

Paradigm's management team has over 80 years of combined experience in the energy industry, 30 years of pipeline engineering and operating experience, and over 60 years in the midstream industry including the engineering, design, construction, and operation of pipelines in both the United States and abroad.

12.

A certified copy of Paradigm's Certificate of Formation is included in this application. See Appendix C.

13.

Included in this application is a Certificate of Good Standing from the Delaware Secretary of State indicating Paradigm is authorized to do business in the State of Delaware. See Appendix D.

14.

Paradigm is funded by private investors and financial commitment for the funding of the Pipeline is complete. Attached are Paradigm's financial statements. See Appendix E.

15.

The Pipeline would provide for the transport of approximately 230,000 barrels a day to market delivery points north of the river thus relieving state, county, and township roads of an estimated 1,000 truckloads of oil a day. Approximately three-fourths of the roads in the most productive parts of the Bakken Shale, including McKenzie and Mountrail counties, are two-lane gravel tracks designed for farm and ranch traffic. The proposed Pipeline would reduce wear and tear, dust, noise, and cost for maintenance, as well as reduce traffic incidents in the region. Additionally, the proposed capacity of this design would reduce or eliminate the need to construct additional transportation infrastructure by other regional operators and producers.

16.

Based upon the information provided herein, Paradigm is of the opinion that (1) there is currently and will be in the future a need for the service Paradigm would provide with the Pipeline; (2) Paradigm is fit and has the ability to provide this needed service; (3) since the need for additional crude oil pipelines is great, Paradigm's service will not have any adverse effect upon other pipeline carriers for hire; (4) the proposed service is adequate or Paradigm will alter its system to provide adequate service; and (5) Paradigm has the technical, financial, and managerial ability to provide the services for which it seeks approval from the Commission.

17.

WHEREFORE, Paradigm 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 Paradigm for the issuance of a certificate of public convenience and necessity for Paradigm's Pipeline, as described herein.

DATED this 17 day of July, 2014.

Appendix A

**North Dakota Certificate of Authority
To Transact Business in the State**

State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF AUTHORITY OF

PARADIGM MIDSTREAM SERVICES - ND, LLC
Secretary of State ID#: 36,565,600

The undersigned, as Secretary of State of the State of North Dakota; hereby certifies that an application of

PARADIGM MIDSTREAM SERVICES - ND, LLC

for a Certificate of Authority to transact business in this State, duly signed and executed as required by North Dakota statutes governing a FOREIGN LIMITED LIABILITY COMPANY, have been received in this office and are found to conform to law.

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

PARADIGM MIDSTREAM SERVICES - ND, LLC

to transact business in this State under the name of

PARADIGM MIDSTREAM SERVICES - ND, LLC

Issued: April 28, 2014

A handwritten signature in cursive script that reads "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State



CERTIFICATE OF AUTHORITY FOREIGN LIMITED LIABILITY COMPANY APPLICATION
 SECRETARY OF STATE
 SFN 19381 (10-2012)

RECEIVED



FOR OFFICE USE ONLY

System ID Number	36,565,600 FLC	
WO Number	1143682	
Filed	4/28/2014	By [Signature]

APR 24 2014

SEC OF STATE

1. The application is accompanied by the following:
- Filing fee of \$135
 - Current CERTIFICATE OF GOOD STANDING or CERTIFICATE OF EXISTENCE duly authenticated by the organizing officer of the state or country of organization
 - Certification of professional license
 - Signed Consent to Use Business Name and fee of \$10
 - Trade Name Registration and fee of \$25

SEE INSTRUCTIONS FOR FEES, FILING AND MAILING INFORMATION

TYPE OR PRINT LEGIBLY

For reference, see North Dakota Century Code Sections 10-31-01, 10-31-13.1 and 10-32-138.

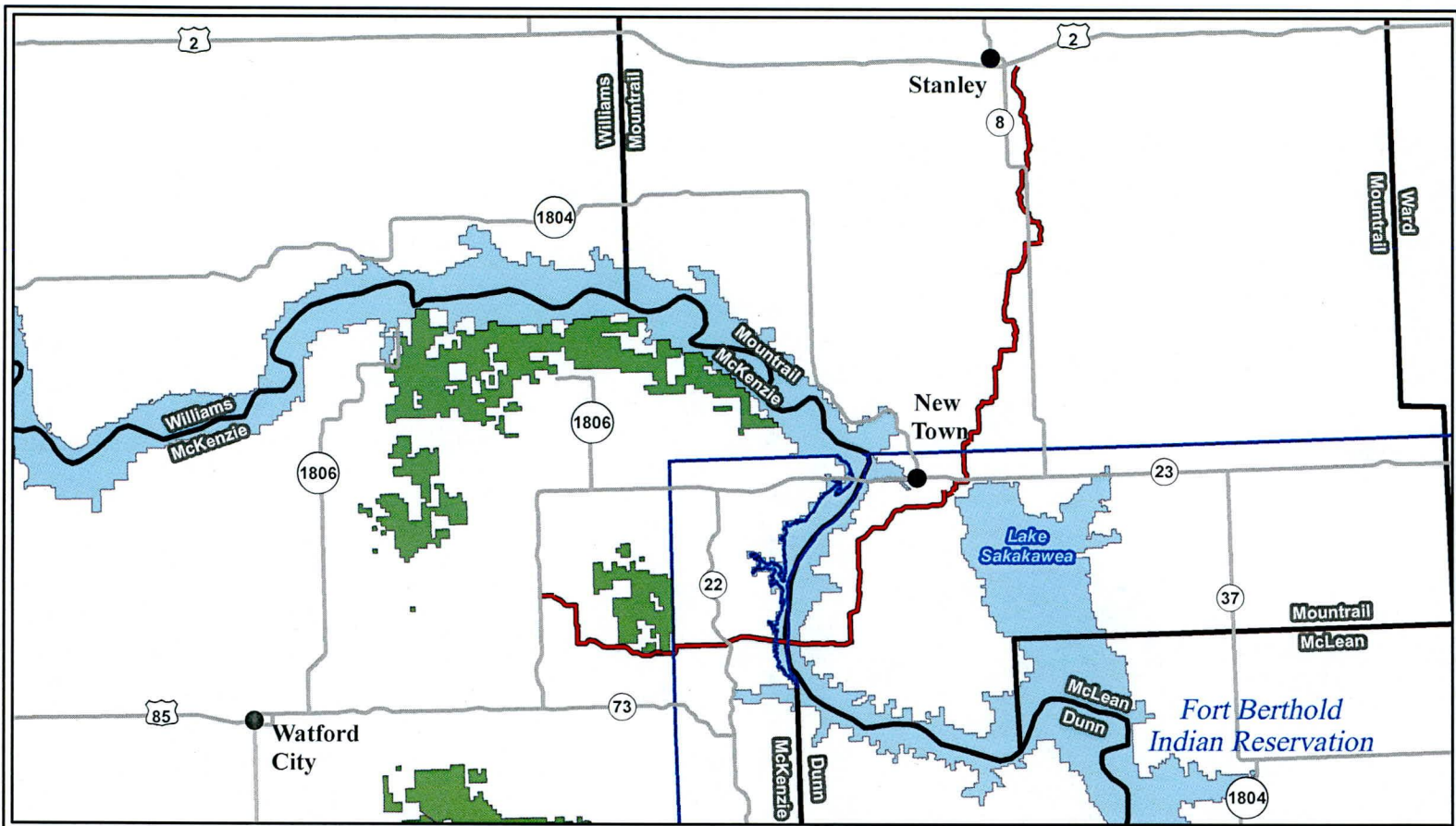
2. Type of Limited Liability Company Applying for Certificate of Authority (check one)		3. Federal ID Number
<input checked="" type="checkbox"/> Foreign Business	<input type="checkbox"/> Foreign Professional	
4. Name of Limited Liability Company EXACTLY as it appears on Certificate of Good Standing from State or Country of Origin Paradigm Midstream Services - ND, LLC		
5. If applicable, provide the trade name and complete the Trade Name Registration form if selected trade name is not already registered in North Dakota. Only provide the trade name in this line if: a) The limited liability company name is not in the form as required of limited liability companies in North Dakota. b) The Secretary of State has notified the limited liability company that its name is the same or deceptively similar to a name already registered, and the limited liability company is unable to obtain Consent to Use Business Name from the previous filer or a certified copy of a final decree of a court of competent jurisdiction establishing prior right of this limited liability company to use of the name in North Dakota. c) The limited liability company does not wish to use or protect its name in North Dakota and chooses to use a name <u>other than its limited liability company name</u> .		
6. Complete Address of Principal Executive Office (Street/RR, PO Box, City, State, ZIP+4) which may not be only a post office box 5949 Sherry Lane, Suite 1060, Dallas, TX 75225		
7. State or Country Where Organized Delaware	8. Limited Liability Company Will Expire in State or Country of Origin (check one) <input checked="" type="checkbox"/> Perpetual <input type="checkbox"/> Expires - Specify Date (mm/dd/yyyy):	
9. Telephone Number 214-529-0872	10. Toll-free Telephone Number	
11A. Name of <u>Commercial</u> Registered Agent in North Dakota C T Corporation System		11B. Name of <u>Noncommercial</u> Registered Agent in North Dakota OR
11C. Address of <u>Noncommercial</u> Registered Agent in North Dakota (Street/RR, PO Box, City, State, ZIP+4) May not be only a post office box.		
12. Nature of Business or Activities the Limited Liability Company Intends to Conduct in North Dakota Provide oil and gas midstream services.		
13. MANAGERS AND GOVERNORS OF THE LIMITED LIABILITY COMPANY		
MANAGERS	Check box if Manager also serves as Governor	COMPLETE MAILING ADDRESS
	<input type="checkbox"/>	Street/RR PO Box City State ZIP+4
	<input type="checkbox"/>	
	<input type="checkbox"/>	
	<input type="checkbox"/>	
MANAGING MEMBER		
Paradigm Energy Partners, LLC		5949 Sherry Lane, Suite 1060, Dallas, TX 75225
MANAGING MEMBER		

If needed, attach sheet to add names of additional managers or governors.

14. "The undersigned has read the foregoing application, knows the contents, and believes the statements to be true. I further authorize the Secretary of State to correct numbers 4, 7, 11A, 11B, and 11C if not correctly reflected. I understand that if I make a false statement in this document, I may be subject to criminal penalties."

Signature [Signature]	Paradigm Energy Partners, LLC By: Troy Andrews, Chief Executive Officer	Date 4/23/14
15. Name of Person to Contact about this Document Lamar Dowling	Email Address ldowling@gardere.com	Daytime Telephone Number and Extension, if any 214-999-4381

Appendix B
Project Location Map



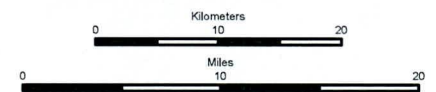
Legend

- City
- Proposed Pipeline
- Major Highway
- U.S. Forest Service Land
- U.S. Army Corps of Engineers Land
- Reservation Boundary
- County Boundary

SWCA
 ENVIRONMENTAL CONSULTANTS

116 North 4th Street
 Suite 200
 Bismarck, ND 58501

Phone: 701.258.6622
 Fax: 701.258.5957
 www.swca.com



Mountrail and
 McKenzie County, North Dakota



Projection: NAD 1983 UTM Zone 13N

Appendix C
State of Delaware
Certificate of Formation

Delaware

PAGE 1

The First State


I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "PARADIGM MIDSTREAM SERVICES - ND, LLC", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF APRIL, A.D. 2014, AT 2:54 O'CLOCK P.M.



5520465 8100

140500912

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


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1311627

DATE: 04-23-14

**STATE OF DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE OF FORMATION
OF
PARADIGM MIDSTREAM SERVICES – ND, LLC**

The undersigned authorized person hereby duly adopts the following Certificate of Formation for the purposes of forming a limited liability company pursuant to the Delaware Limited Liability Company Act (6 Del.C. § 18-101, et seq.):

1. The name of the limited liability company formed hereby is “Paradigm Midstream Services – ND, LLC.”
2. The address of the registered office of the limited liability company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.
3. This Certificate of Formation shall be effective on the date of filing.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation this 22nd day of April, 2014.

s/ Lamar H. Dowling

Name: Lamar H. Dowling

Title: Authorized Person

*State of Delaware
Secretary of State
Division of Corporations
Delivered 04:21 PM 04/22/2014
FILED 02:54 PM 04/22/2014
SRV 140500912 - 5520465 FILE*

Appendix D
State of Delaware
Certificate of Good Standing

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "PARADIGM MIDSTREAM SERVICES - ND, 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 TWENTY-THIRD DAY OF APRIL, A.D. 2014.

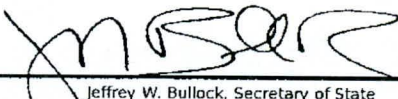
AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.

5520465 8300

140500912

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




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1311628

DATE: 04-23-14

Appendix E
Statements of Financial Commitment



STONEPEAK
INFRASTRUCTURE PARTNERS

Stonepeak Infrastructure Partners
717 5th Avenue, 25th Floor
New York NY, 10022
Ph: 212 907 5100

June 16, 2014

To whom it may concern:

Stonepeak Infrastructure Fund LP (“Stonepeak”) is pleased to confirm its majority ownership of Paradigm Energy Partners, LLC (“Paradigm”), a Dallas-based midstream development company focused on constructing and operating crude oil, NGL, and natural gas transportation and processing infrastructure in Texas and North Dakota. As part of its ownership of Paradigm, Stonepeak has invested significant capital into Paradigm and expects to continue to fund Paradigm’s build out of gathering systems. We expect to invest approximately \$200 million to fund Paradigm’s midstream projects in Texas and North Dakota.

Stonepeak is a North American focused infrastructure investment firm that invests in lower risk traditional infrastructure assets across utilities, water, energy, power and renewables, midstream and transportation asset classes. Stonepeak is based in New York and manages \$1.7bn of capital.

Please feel free to contact me at 212-907-5108 should you have any questions.

Sincerely yours,

Stonepeak Infrastructure Fund LP

By: STONEPEAK ASSOCIATES LLC, its General Partner

By: STONEPEAK GP HOLDINGS LP, its sole member

By: STONEPEAK GP INVESTORS LLC, its general Partner

By: STONEPEAK GP INVESTORS MANAGER LLC, its managing member

Luke Taylor
Senior Managing Director

PARADIGM ENERGY PARTNERS, LLC
Balance Sheet (Unaudited)
For the Five Months Ending May 31, 2014

As of
May 31, 2014

(Dollars in thousands)

Total Assets	\$16,996
---------------------	-----------------

Total Liabilities and Stockholders' Equity	\$16,996
---	-----------------
