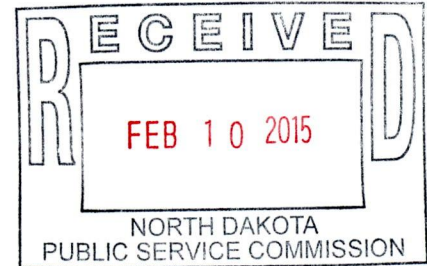


February 10, 2015

**HAND DELIVERED**

Mr. Darrell Nitschke  
Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard Avenue, Dept. 408  
Bismarck, ND 58505-4080



**RE: Hiland Crude, LLC — Case Number  
PU-14-840 – Request for Supplemental  
Information**

Dear Mr. Nitschke:

This letter is in follow up to a request received from your office for supplemental information in support of Hiland Crude, LLC's ("Hiland") Application for a Certificate of Corridor Compatibility and Route Permit ("Application") for the Dore Crude Oil Loop Pipeline (the "Project") filed with the North Dakota Public Service Commission ("Commission") on December 17, 2014. Specifically, information has been requested regarding the status of the waivers for inhabited rural residences located within five hundred feet of the Project. Information has also been requested regarding waterbody crossings of the Project, and specifically the crossing of the Yellowstone River.

Six residences are located within five hundred feet of the Project. As allowed under North Dakota Century Code Section 49-22-05.1, the "five hundred foot [152.4 meter] avoidance area criteria for an inhabited rural residence may be waived by the owner of the inhabited rural residence in writing." Hiland has obtained waivers from all of the residence owners as allowed under Section 49-22-05.1.

With respect to the inquiry into waterbody crossings, Hiland has been involved in obtaining the necessary authorizations for the crossing of the Yellowstone River by the Project. Applications for the Project crossing at the Yellowstone River were submitted in September and October of 2014 to the North Dakota State Engineer's Office and the U.S. Army Corps of Engineers. Historically, these permits have been issued in sixty days or less. Hiland received the NW-12 permit from the U.S. Army Corps of Engineers in mid-January 2015. Hiland has received verbal confirmation that the State Engineer's Office has approved the Project's application, with the hardcopy of the permit anticipated to arrive in mid-February.

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**10 PU-14-840** Filed: 2/10/2015 Pages: 2  
**Supplemental information in support of Application**

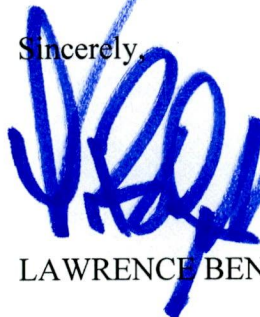
In applying for the North Dakota Sovereign Lands' permit, the State Engineer's Office was provided essentially the same information routinely submitted to the U.S. Army Corps of Engineers, including the boundaries of the flood plain and channel mitigation zone ("CMZ") at the crossing location, the proposed location of the shutoff valve (assuring they were outside of the CMZ), and setback distances from the river bank of the HDD/bore equipment.

Since the Exxon Silvertip pipeline incident in 2011, the U.S. Army Corps of Engineers has required a "scour study" of the river for a 100-year flood event in some instances. Hiland was required to complete such a study for its crossing on the Yellowstone River approximately 40 miles upstream of the Dore pipeline location. Depending on the calculation method, assumed composition of the riverbed, and cross section channel profile, predicted scour depths ranged from 3-feet to 32-feet, with an average of 11-feet. While each study is specific to a given location, the studies serve to identify the scale of such predicted impacts. It is noteworthy that scour depths are generally more pronounced on smaller flow/narrower channel/steeper grade conditions associated with upstream points, with the threat lessening at downstream locations.

Exxon was required to bore 50-feet below the Yellowstone River channel when they re-installed their line in 2011. Hiland has committed to boring to a depth of not less than 50-feet below the bottom, i.e. thalweg, of the river for this project at a location over 300-feet downstream of the Exxon Silvertip incident.

If you should have any questions regarding the enclosed supplemental information, please advise.

Sincerely,



LAWRENCE BENDER

LB/dmk  
Enclosures

cc: Mr. Jim Suttle (*via e-mail*)  
Mr. Ryan Dahl (*via e-mail*)  
Mr. Mike Higgins (*via e-mail*)  
Ms. Kathleen Spilman (*via e-mail*)  
Mr. Mitch Armstrong (*via e-mail*)  
Mr. Brian Schmidt (*via e-mail*)  
Ms. Julie Prescott (*via e-mail*)

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