

April 8, 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**

Dear Mr. Nitschke:

Enclosed for filing in the above case, please find an original and ten (10) copies of the Nationwide Permit No. 12 authorization and Sovereign Land Permit for the Yellowstone River crossing, previously supplied to Public Service Commission staff electronically. Also enclosed herewith is a CD containing the above-referenced documents in electronic format.

If you should have any questions, please advise.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lawrence Bender".

LAWRENCE BENDER

LB/dmk
Enclosures

cc: Ms. Julie Prescott (*via e-mail*)

Attorneys & Advisors
main 701.221.8700
fax 701.221.8750
www.fredlaw.com

Fredrikson & Byron, P.A.
1133 College Drive, Suite 1000
Bismarck, North Dakota
58501-1215

Sovereign Land Permit No. S-1932

Permittee: **Hiland Partners, LLC**
105 26th Street East, Suite 10
Williston, ND 58801

Location: **S ½ SW ¼ and SW ¼ SE ¼ of Section 35, and the SE ¼ SE ¼ of Section 34,**
Township 152 North, Range 104 West, McKenzie County.

Project Description:

The Permittee is hereby authorized to construct a crude oil pipeline beneath the Yellowstone River in McKenzie County.

Specifically, the project will involve constructing an 12-inch steel crude oil pipeline beneath the Yellowstone River via directional bore. The bore will be approximately 4,135 feet in length and a maximum of approximately 160 feet below the bed of the Yellowstone River. The beginning and end points of the bore will be approximately 400 feet west and 825 feet east of the Yellowstone River respectively. Remotely controlled block valves will be installed at the bore beginning and end locations.

This authorization is subject to the conditions listed below and to the attached North Dakota Department of Health "Construction and Environmental Disturbance Requirements." Any other use of sovereign land is prohibited. Any proposed additional use must comply with the application and permitting process and all other requirements of state law.

General Conditions

1. Authorization of this undertaking is a privileged use of a public resource and does not constitute a property right. The public use and enjoyment of the Yellowstone River is of high priority.
2. All construction, maintenance, and reclamation activities shall be carried out in a manner reasonably designed to prevent degradation of the Yellowstone River.
3. Any construction debris or excess material shall be disposed of in a non-wetland, non-timbered upland site or in an approved landfill.
4. Any disturbed areas shall be revegetated with species native to the area.
5. The Permittee shall comply with all state regulations with regard to the prevention of introduction of Aquatic Nuisance Species (ANS) into the state's waters. The Permittee shall

contact Mr. Fred Ryckman, ANS Biologist, North Dakota Game and Fish Department at (701) 770-0920 to schedule an inspection of all vehicles and equipment a minimum of 72 hours prior to those items being launched or placed in the Yellowstone River.

6. Prior to or during construction, if items of substantial archeological value are discovered or a deposit of such items is disturbed, the Permittee shall cease construction activities in the area so affected. The State Engineer shall be promptly notified of the discovery, and construction will not resume until the State Engineer gives written permission.
7. This Authorization is site specific for the project as proposed and outlined in the application and supporting documents. Any changes or deviation from the site or design will need authorization from the State Engineer.
8. At the discretion of the State Engineer, in accordance with the exercise of any of the State Engineer's duties, the project is subject to modification or removal at the expense of the Permittee.
9. The State Engineer or the State Engineer's representative shall have access to inspect the authorized project during construction and associated activities and for the life of the project to ensure that it is being or has been accomplished and maintained in accordance with the terms and conditions of this Authorization.
10. The Permittee is responsible for obtaining any other local, state, or federal permits or approvals that may be necessary prior to construction.
11. By granting this Authorization, no liability for damages of any kind, including those caused by improper construction, operation and maintenance, design or failure in design, materials, or workmanship, is assumed by or transferred to the State of North Dakota, the State Engineer, the State Water Commission or any of their respective employees, agents, or assigns. The Permittee will indemnify and hold harmless the State of North Dakota, its officials, employees, agents, boards, commissions, and assigns for any and all liability for work performed and action taken under this Authorization.



Todd Sando
State Engineer

Date: 3/25/15



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, OMAHA DISTRICT
NORTH DAKOTA REGULATORY OFFICE
1513 SOUTH 12TH STREET
BISMARCK ND 58504-6640

January 13, 2015

North Dakota Regulatory Office

[NWO-2014-2397-BIS]

Mr. Jim Suttle
Hiland Crude, LLC
PO Box 3886
Enid, Oklahoma 73702

Dear Mr. Suttle:

We have reviewed your request on behalf of **Hiland Crude, LLC** for Department of the Army (DA) authorization for the Hiland Dore Pipeline Loop Project. The project begins at Dore, North Dakota and runs 12 miles east to a point in Section 6, Township 151 North, Range 102 West, McKenzie County, North Dakota. As indicated in the application information, the Yellowstone River and all canal laterals will be crossed utilizing the HDD method of construction. Construction method at all other crossings will be determined in the field, but in accordance with the information provided.

We have prepared a preliminary jurisdictional determination (JD) for the site which is a written indication that the waters in the project area may be jurisdictional waters of the United States. Such waters have been treated as jurisdictional for purposes of computation of impacts and compensatory mitigation requirements. If you concur with the preliminary JD, please sign it and return it to the letterhead address. If you believe the preliminary JD is inaccurate, you may request this office complete an approved JD prior to commencement of any work in waters of the US. An approved JD is an official determination regarding the presence or absence of such waters. Completion of an approved JD may require coordination with the US Environmental Protection Agency.

If you do not want the Corps to complete an approved JD, you may proceed with your project in accordance with the terms and conditions of DA Nationwide Permit No.12, found in the February 21, 2012 Federal Register (77 FR 10184), Reissuance of Nationwide Permits. Enclosed is a fact sheet that fully describes this Nationwide Permit and lists the General, Regional and Water Quality Certification Conditions that must be adhered to for this authorization to remain valid. **Please note that deviations from the original plans and specifications of your project could require additional authorization from this office.**

This determination is applicable only to the permit program administered by the Corps of Engineers. It does not eliminate the need to obtain other Federal, state, tribal, and local approvals before beginning work.

You are responsible for all work accomplished in accordance with the terms and conditions of the Nationwide Permit, **including the Regional Conditions specific to projects undertaken in North Dakota.** If a contractor or other authorized representative will be accomplishing the work authorized by the Nationwide Permit on your behalf, it is strongly recommended that they be provided a copy of this letter and the attached conditions so that they are aware of the limitations of the applicable Nationwide Permit. Any activity that fails to comply with all of the terms and conditions of the Nationwide Permit will be considered unauthorized and subject to appropriate enforcement action.

In compliance with General Condition 30, **you are required to submit the following project compliance certification within thirty (30) days of project completion.** [Please check all applicable statements]

- I certify that I have completed the projects as permitted.
- I certify that I have completed a modified version of the projects.
- I certify that I have completed all required mitigation.

Permittee's Signature: _____ Date: _____

This verification will be valid until **March 18, 2017**. If the nationwide permit is modified, suspended, or revoked prior to this date, but is reissued without modification or the activity complies with any subsequent modification, this authorization remains valid until the expiration date. All of the existing nationwide permits are scheduled to be modified, reissued, or revoked prior to **March 18, 2017**. It is incumbent upon you to remain informed of changes to the nationwide permits. We will issue a public notice when the nationwide permits are reissued. Furthermore, if you commence or are under contract to commence this activity before the date that the relevant nationwide permit is modified or revoked, you will have twelve (12) months from the date of the modification or revocation to complete the activity under the present terms and conditions.

Should you at any time become aware that either an endangered and/or threatened species or its critical habitat exists within the project area, you must immediately notify this office.

A copy of this letter is being sent to Ms. Kathleen Spilman, Keitu Engineers & Consultants, Inc., PO Box 98, Mandan, North Dakota 58554.

The Omaha District, North Dakota Regulatory Office is committed to providing quality and timely service to our customers. In an effort to improve customer service, please take a moment to complete our Customer Service Survey found on our website at http://corpsmapu.usace.army.mil/cm_apex/f?p=regulatory_survey. If you do not have Internet access, you may call and request a paper copy of the survey that you can complete and return to us by mail or fax.

If you have any questions concerning this determination or jurisdiction, please feel free to contact Ms. Toni R. Erhardt of this office at (701) 255-0015, extension 2003, and reference Nationwide Permit No. **NWO-2014-2397-BIS**.

Sincerely,



Daniel E. Cimarosti
Regulatory Program Manager
North Dakota

Enclosures