

TEN YEAR PLAN: 2015-2025

NST Express, LLC

May 2015

In accordance with Section 49-22-04 of the North Dakota Century Code and Chapter 69-06-02 of the North Dakota Administrative Code, NST Express, LLC (“NST Express”), submits the following Ten Year Plan for years 2015 through 2025.

- (1) A description of the general location, size, and type of all facilities to be owned or operated by the utility during the ensuing ten years, as well as those facilities to be removed from service during the ten-year period.

NST Express currently does not own or operate any transmission facilities in North Dakota. NST Express will submit an application for a Certificate of Corridor Compatibility and Route Permit, requesting approval from the North Dakota Public Service Commission (“Commission”) for the construction of a 12-inch-diameter crude oil pipeline, approximately 23 miles in length, and associated facilities (the “Project”). The Project pipeline will originate at a new gathering facility located north of Alexander, North Dakota (the “NST Express Alexander Facility”) and will terminate at the existing NST Transload East Fairview Facility in East Fairview, North Dakota. The Project will be wholly located in McKenzie County, North Dakota.

NST Express does not own or operate any facilities that it plans to remove from service during the next ten years.

- (2) An identification of the location of the tentative preferred site for all energy conversion facilities and the tentative location of all transmission facilities on which construction is intended to be commenced within the ensuing five years and such other information as may be required by the commission. The site and corridor identification shall be made in compliance with the criteria published by the commission pursuant to section 49-22-05.1.

NST Express has evaluated a study area for the Project to determine the best location for the placement of the corridor and route in order to meet the needs of the Project, while minimizing any potential land use and environmental impacts, and taking into consideration landowner input and design and construction limitations. The selected location of the route within the corridor was made in compliance with Section 49-22-05.1 of the North Dakota Century Code. NST Express’s Consolidated Application for a Certificate of Corridor Compatibility and Route Permit, which will be filed with the Commission in the near future, will discuss the Project’s compliance with the Section 49-22.05.1 criteria in greater detail. NST Express is exploring opportunities to interconnect with other producers but currently has no plans to construct additional transmission facilities within the next five years.

- (3) A description of the efforts by the utility to coordinate the plan with other utilities so as to provide a coordinated regional plan for meeting the utility needs of the region.

NST Express performed a centerline survey of the Project route, and based on that survey, NST Express identified all third-party entities/utilities that would be encountered (e.g., petroleum, water, electric). NST Express then contacted each entity to obtain its respective crossing and encroachment guidelines and requirements. NST Express has incorporated these requirements into the Project design, and will work closely with each entity during construction and future operations and maintenance in order to safely construct and operate the Project around these adjacent utilities.

NST Express is exploring the potential for its Project to interconnect with producers and other transmission facilities; however, NST Express has no specific interconnection plans at this time.

- (4) A description of the efforts to involve environmental protection and land-use planning agencies in the planning process, as well as other efforts to identify and minimize environmental problems at the earliest possible stage in the planning process.

NST Express has employed a qualified environmental consulting firm to conduct studies of and identify avoidance and exclusion areas within the proposed Project corridor and route, in accordance with Chapter 49-22 of the North Dakota Century Code and Chapter 69-06-08 of the North Dakota Administrative Code. To date, no environmental or siting concerns have been identified that would preclude development of the Project within the study area. NST Express has also developed an Environmental Mitigation Plan that outlines general construction-related mitigation measures to minimize impacts to natural and cultural resources from Project development.

NST Express submitted Project consultation letters to various agencies and governmental units in March and May of 2015. NST Express has consulted, and will continue to coordinate with, federal, state and local agencies and governmental units regarding the Project. NST Express will obtain all required permits for the Project, including a conditional use permit from McKenzie County.

- (5) A statement of the projected demand for the service rendered by the utility for the ensuing ten years and the underlying assumptions for the projection, with that information being as geographically specific as possible, and a description of the manner and extent to which the utility will meet the projected demands.

The development of hydrocarbon production in the Williston Basin has increased significantly in recent years due to advancements in deep horizontal directional drilling techniques and subsequent oil extraction in the Bakken and Three Forks shale formations. The

total recoverable amount of Bakken and Three Forks oil reserves is subject to interpretation and speculation. Studies conducted by the North Dakota Department of Mineral Resources (“NDDMR”) and North Dakota Geological Survey (“NDGS”) in 2008 on the Bakken formation¹ and in 2010 on the Three Forks formation² indicate that between 2.1 and 6.3 billion barrels of recoverable reserves are available in the Bakken and Three Forks formations within the State of North Dakota, with 4.0 billion barrels described as the most likely amount. More recently, the U.S. Geological Survey estimated there may be 7.4 billion barrels of undiscovered recoverable oil in the entire Bakken and Three Forks formations, spanning Montana, North Dakota and South Dakota.³ Statistics from the NDDMR indicate that oil production has increased dramatically over the past eight years from nearly 110,000 bpd in 2007 to nearly 1,230,000 bpd in December, 2014.⁴

Insufficient pipeline infrastructure exists to gather and transport crude oil from the proposed NST Express Alexander Facility site to the existing NST Transload East Fairview Facility. Transporting crude oil in western North Dakota currently involves significant movement of crude oil by tanker truck over public roadways, with resulting public safety and roadway infrastructure impacts. The Project will help address these issues by providing the safe, efficient, and reliable transport of up to 100,000 bpd of crude oil via pipeline to be distributed to markets located throughout the United States via interconnections with the Project or by rail via the existing NST Transload East Fairview Facility.

¹ Bohrer, M., Fried, S., Helms, L., Hicks, B., Juenker, B., McCusker, D., Anderson, F., LeFever, J., Murphy, E., and Nordeng, S. North Dakota Department of Mineral Resources. State of North Dakota Bakken Resources Study Project 23 (2008).

² Helms, L. and Nordeng, S. North Dakota Department of Mineral Resources. Bakken Source System, Three Forks Formation Assessment (2010).

³ United States Geological Survey. Assessment of Undiscovered Oil Resources in the Bakken and Three Forks Formations, Williston Basin Province, Montana, North Dakota, and South Dakota (2013). Web access in March 2015 at: <http://pubs.usgs.gov/fs/2013/3013/>.

⁴ North Dakota Department of Mineral Resources. North Dakota Monthly Oil Production Statistics. Web access in March 2015 at: <https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf>.

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Case No. PU-15-___

IN THE MATTER OF THE FILING OF A TEN
YEAR PLAN BY NST EXPRESS, LLC

CERTIFICATE OF SERVICE

Mollie Smith, being first duly sworn, does depose and state that on May 28, 2015, the following document was served:

Ten Year Plan: 2015-2025

by placing a true and correct copy of said document in an envelope addressed as follows:

Linda Svihovec
McKenzie County Auditor
201 5th Street NW, Suite 543
Watford City, ND 58854

and depositing the same, with postage prepaid, in the United States mail at Minneapolis, Minnesota.


MOLLIE M. SMITH

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