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February 26, 2016

Via U.S. Mail

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



In re: Oasis Midstream Services, LLC
Wild Basin to Johnsons Corner Crude Oil Pipeline Project
McKenzie County
Case No. PU-15-733
Our File No. 71-180-741

Dear Mr. Nitschke:

Enclosed for filing are eleven copies of the Proposed Findings of Fact, Conclusions of Law, and Order in the captioned case.

Please call should you have any questions. Thank you.

Very truly yours,


John W. Morrison

lh
enc.

cc: David Copeland (via email)

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Oasis Midstream Services, LLC
10.75-inch Crude Oil Pipeline - McKenzie
Siting Application**

Case No. PU-15-733

**PROPOSED FINDINGS OF FACT
CONCLUSIONS OF LAW, AND ORDER**

_____, 2016

Appearances

Commissioners Julie Fedorchak, Randy Christmann, and Brian P. Kalk.

John W. Morrison, Attorney at Law, Crowley Fleck PLLP, 100 West Broadway, Suite 250, Bismarck, North Dakota 58501 on behalf of Oasis Midstream Services, LLC.

Brian Schmidt, Special Assistant Attorney General as counsel for the Public Service Commission, 600 East Boulevard Avenue, Bismarck, North Dakota 58505.

Patrick J. Ward, Administrative Law Judge, Office of Administrative Hearings, P O Box 1695, Bismarck, ND 58502-1695, as procedural Hearing Officer.

Preliminary Statement

On November 16, 2015, Oasis Midstream Services, LLC, (“Oasis”) filed applications for a certificate of corridor compatibility and a route permit concerning approximately 19 miles of 10.75-inch diameter crude oil pipeline and associated facilities in McKenzie County, North Dakota. The company also filed an application for waivers of procedures and time schedules established under North Dakota Century Code sections 49-22-07.2, 49-22-08, 49-22-08.1, 49-22-13, and North Dakota Administrative Code section 69-06-01-02 and Chapter 69-06-06, requiring separate filings, separate notices, separate hearings and certain time schedules of such applications.

On December 16, 2015, the Commission found the applications complete and issued a Notice of Filings and Notice of Hearing scheduling a public hearing on February 9, 2016 at 1:30 p.m. CST at Teddy’s Residential Suites, 113 9th Avenue SE, Watford City, North Dakota 58854.

The Notice of Hearing identified the following issues to be considered in Oasis’s request for a waiver of procedures and time schedules are as follows:

1. Are the proposed facilities of such length, design, location, or purpose that they will produce minimal adverse effects such that adherence to the procedures and time schedules may be waived?
2. Is it appropriate for the Commission to waive any procedures and time schedules as requested in the application?

The Notice of Hearing identified the following issues to be considered in Oasis's applications for certificate of corridor compatibility and route permit are as follows:

1. Will the location, construction, and operation of the proposed facilities produce minimal adverse affects on the environment and upon the welfare of the citizens of North Dakota?
2. Are the proposed facilities compatible with the environmental preservation and the efficient use of resources?
3. Will the proposed facility locations minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion?

On February 9, 2016, the hearing was held as scheduled.

Having allowed all interested persons an opportunity to be heard and having heard, reviewed, and considered all the evidence presented, the Commission makes the following:

Findings of Fact

1. Oasis is a Delaware limited liability company authorized to transact business in the State of North Dakota as evidenced by corporate papers filed with the Commission on November 19, 2015 in Case No. PU-15-741.

Need for Facility

2. Oasis is currently building the Wild Basin Gas Processing and Crude Handling Facility at a location in McKenzie County, North Dakota, which will include three aboveground storage tanks which will provide 200,000 barrels of storage capacity. Oasis proposes to build a crude oil pipeline to ship crude oil from the Wild Basin facility to connection points at Tesoro's Johnson's Corner Station and the proposed Dakota Access Pipeline Johnson's Corner Terminal facility. The proposed pipeline would provide firm, reliable transport of 50,000 barrels of crude oil per day to connection points from which the crude can be shipped to refineries across the United States. The only practical alternative to the pipeline is to truck the crude oil which would require approximately 280 trucks per day.

Size, Type and Preferred Location of Facility

3. The proposed facilities (the "Project") consist of approximately 19 miles of new pipe. Associated facilities include three block valves.

4. The proposed alignment of the pipeline was selected considering the location of existing assets, including the Wild Basin facility under construction and existing and planned receipt points near Johnson's Corner, and paralleling or co-locating within other utility corridors to the extent possible.

Project Design

5. The proposed pipe will have a 10.75-inch nominal diameter and a minimum wall thickness of 0.250 inches.

6. The maximum operating pressure of the pipeline will be 1480 psig and its capacity will be 75,000 barrels of crude oil per day, although normal operating pressure is expected to be 500 psig and normal throughput is expected to be 50,000 barrels per day.

Study of Preferred Location

7. Oasis first identified a preferred alignment which connects the Wild Basin facility with the Johnson's Corner receipt point and which parallels other utility corridors to the extent possible. Oasis then identified an area consisting of a one-mile wide buffer (Study Area) centered on the preferred route and evaluated the Study Area for the Exclusion, Avoidance, Selection and Policy criteria of the Commission.

8. Oasis conducted a Class I cultural resource literature search on the Study Area centered on the proposed route.

9. Oasis conducted a Class III cultural resource survey and a natural resource inventory on a 250-foot wide corridor (the Environmental Survey Area). Oasis also conducted a natural resource survey within the Environmental Survey Area to gather information on soils, land use, wetlands, waterbody crossings, noxious weeds, trees and shrubs, and protected species and habitat.

10. Oasis contacted governmental agencies and entities, including the United States Fish and Wildlife Service, the North Dakota Game and Fish Department, the North Dakota Parks and Recreation Department, the North Dakota Department of Trust Lands, and the North Dakota State Historical Office.

11. The State Historic Preservation Office concurred with the Class III study recommendation of "no significant sites affected." None of the other agencies that responded raised any substantive concerns with the route.

Siting Criteria

12. The Commission has established criteria pursuant to North Dakota Century Code section 49-22-05.1 to guide the Commission in evaluating the suitability of granting a certificate of corridor compatibility and route permit. The criteria, as set forth in North Dakota

Administrative Code section 69-06-07-02 are classified as Exclusion Areas, Avoidance areas, Selection Criteria, and Policy criteria.

13. Oasis evaluated the Project for the Exclusion, Avoidance, Selection, and Policy criteria of the Commission.

14. A transmission facility route must not be sited within an exclusion area.

15. An Exclusion Area may not encompass more than fifty percent of a corridor width unless there is no reasonable alternative. Exclusion Areas must be excluded from consideration of a route for a transmission facility. A buffer zone of a reasonable width to protect the integrity of the area must be included. Natural screening may be considered in determining the width of the buffer zone.

16. A transmission facility must not be sited within an Avoidance Area, unless the applicant shows that there is no reasonable alternative. In determining whether an avoidance area should be designated for a transmission facility, the Commission may consider, among other things, the proposed management of adverse impacts, the orderly siting of facilities, system reliability and integrity, the efficient use of resources, and alternative routes.

17. Three occupied structures are within 500 feet of the route. Oasis obtained and included with its application copies of written waivers from the owner. No other exclusion or avoidance areas were included within the Environmental Study Area or affected by the route.

18. In accordance with the Commission's Selection Criteria, a transmission facility shall be approved only if it is determined that any significant adverse effects that will result from the location, construction and operation of the facility as they relate to the Selection Criteria will be at an acceptable minimum, or will be managed and maintained at an acceptable minimum. Oasis has analyzed the impacts of the Project in relation to all relevant Selection Criteria. No significant adverse impact will result from the location, construction and operation of the Project.

Mitigation to Minimize Impact

19. A supervisory control and data acquisition system will monitor pressure and flows 24 hours per day, 7 days per week from a control room at the Wild Basin facility in McKenzie County, North Dakota. The isolation valves at the beginning and terminus of the Project can be shut-down remotely and doing so will effectively isolate the pipeline. Oasis will also have employees on the ground in McKenzie County who can respond to any issue.

20. Oasis will conduct inspections, including visual inspections and other integrity inspections, in accordance with the requirements of PHMSA. Oasis will also prepare an Emergency Response Plan in accordance with the requirements of PHMSA prior to beginning operation of the Project.

21. Oasis will coordinate with local authorities and emergency managers regarding emergency response measures.

22. Oasis also agreed to a number of steps to mitigate the impact of the Project as indicated by the Certification Relating to Order Provisions – Transmission Facility Siting, with accompanying Tree and Shrub Mitigation Specifications which is incorporated by reference and attached to this Order.

23. Oasis will use environmental monitors and inspectors to comply with all applicable permits.

From the foregoing Findings of Fact, the Hearing Officer makes the following:

Conclusions of Law

1. The Commission has jurisdiction over this proceeding under North Dakota Century Code Chapter 49-22.

2. Oasis is a utility as defined in North Dakota Century Code Section 49-22-03(13).

3. The Project is a transmission facility as defined in North Dakota Century Code Section 49-22-03(12).

4. The location, construction, and operation of the Project as a transmission line will produce minimal adverse effects on the environment and upon the welfare of the citizens of North Dakota.

5. The Project corridor and route are compatible with the environmental preservation and the efficient use of resources.

6. The pipeline corridor and route will minimize adverse human and environmental impact while ensuring continuing system reliability and integrity and ensuring that energy needs are met and fulfilled in an orderly and timely fashion.

7. The Project is of such design and location that it will produce minimal adverse effects, as defined under North Dakota Century Code Section 49-22-07.2 and it is appropriate for the Commission to waive those certain procedures and time schedules as requested in the Application pursuant to North Dakota Century Code section 49-22-07.2

From the foregoing Findings of Fact and Conclusions of Law, the Commission now makes its:

Order

The Commission orders:

1. Oasis's application for waiver of procedures and time schedules is granted.
2. Certificate of Corridor Compatibility No. ___ is issued to Oasis designating a corridor for the construction, operation and maintenance of an approximately 19 mile 10.75-inch steel crude oil transmission pipeline and associated facilities in McKenzie County, North Dakota. For purposes of the Certificate, the Corridor is approximately 19 miles long and 250-foot wide centered on the pipeline route designated in this order.
3. Route Permit No. ___ is issued to Oasis, designating a route in McKenzie County, North Dakota, for the construction and operation of a 19-mile long crude oil transmission pipeline. The designated route for this purpose is illustrated in maps included in Appendix B of Oasis's Application (hearing exhibit 1).
4. The Certification Relating to Order Provisions – Transmission Facility Sitting (Certification) and accompanying Tree and Shrub Mitigation Specifications is incorporated by reference and attached to this Order.
5. To the extent there are any conflicts or inconsistencies between Oasis's Application and the Certification, the Certification provision control.
6. Oasis is required to comply with the applicable laws, rules and or regulations in the event it desires to construct another or a different transmission facility than was specified in the application within the corridor granted in this proceeding.
7. Oasis shall comply with all the rules and regulations of all other agencies having jurisdiction over any phase of the proposed project. Prior to commencing construction of any phase of the proposed project, Oasis shall obtain all other necessary licenses and permits for construction of such phase, and provide copies to the Commission prior to construction of each phase.

PUBLIC SERVICE COMMISSION

Randy Christman
Commissioner

Julie Fedorchak
Chairman

Brian Kalk
Commissioner