

Appendix F

10-Year Plan

TEN YEAR PLAN: 2015-2025
Oasis Midstream Services

October 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, Oasis Midstream Services ("Oasis"), 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.*

Oasis currently does not own or operate any transmission or energy conversion facilities in North Dakota. Oasis submitted a Certificate of Corridor Compatibility Application and Route Permit Application, requesting permission from the Commission to construct an approximately 19-mile crude oil pipeline originating at Oasis's Wild Basin Crude Handling Facility located approximately 5.5 miles northeast of Watford City, North Dakota in McKenzie County. The crude oil pipeline will connect to one or more 3rd party pipelines near Johnson's Corner in McKenzie County (the "Project"). As noted, the Project will be located within McKenzie County, North Dakota.

Oasis may construct other pipeline transmission facilities in McKenzie County for crude oil transport to the Wild Basin Crude Handling Facility. From the Crude Handling Facility, oil would be transported through the Oasis Pipeline to delivery points other than those at Johnson's Corner. The need and timing of any other transmission pipeline facility is subject to further commercial discussion and an expanded open season for Oasis.

Oasis 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.*

Oasis has no proposed energy conversion facilities on which construction is intended within the ensuing five years in North Dakota.

As discussed above, Oasis submitted a Certificate of Corridor Compatibility Application and Route Permit Application for the Project to be located in McKenzie County, North Dakota. The Project will begin at the Wild Basin Crude Handling Facility located in Section 35, Township 151 North, Range 98 West in McKenzie County and proceed East-Southeast to Section 18, Township 150 North, Range 95 West in McKenzie County where it will terminate at one or more 3rd party delivery points near Johnson's Corner.

Oasis conducted natural resource and cultural surveys to determine the best location for the placement of the corridor and route. The surveys were used to minimize any potential land use and environmental impacts, maximize public benefits, and take into consideration design and construction limitations and economics. The proposed location of the route within the corridor was made in compliance with Chapter 49-22-05.1, as discussed in the Applications for a Certificate of Corridor Compatibility and Route Permit Oasis filed with the Commission.

- 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.*

In developing the above-described pipeline project, Oasis coordinated with affected landowners and many local, state, and federal government agencies to eliminate conflicts in land use. Oasis does coordinate regionally with producers and shippers of crude oil, however, Oasis does not have contact with other pipelines due to confidentiality concerns and potential anti-trust issues.

- 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.*

Oasis recognizes the various federal, state, and municipal regulatory agencies within the state of North Dakota that have environmental compliance authority over the construction, operations, and maintenance of its proposed Oasis Pipeline. Oasis is committed to developing and fostering an ongoing working relationship with each of these agencies.

Oasis will collaborate with local Emergency Management officials and planning commissions in the construction of the Oasis Pipeline. Oasis is committed to maintaining a strong safety record through emergency preparedness and readiness to mitigate the impact of a pipeline failure. Oasis is committed to environmental compliance during the execution of any future projects and will seek the approval of and comply with the conditions of all federal, state, and municipal agencies having jurisdictional authority over the construction and installation of any new facilities.

- 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)¹ and the U.S. Geological Survey² in 2008 and 2010 indicate that 4.0 to 6.3 billion barrels of recoverable reserves are available in North Dakota's Bakken and Three Forks formations. The most recent U.S. Geological Survey information estimated there may be 7.4 billion barrels of oil still undiscovered in the Bakken and Three Forks formations.³ Information from the NDDMR indicates that oil production has increased dramatically over the past five years from approximately 263,000 bpd in 2010 to over 1,000,000 bpd in April 2014,⁴ and production is expected to continue to increase dramatically.

The major constraint in transporting oil and gas from North Dakota to refining centers is the lack of pipeline capacity. Several major projects have been planned to address the growing volumes, but pipeline capacity is not expected to keep pace with the production, leaving incremental volumes to find alternative transportation methods, primarily by rail.

Oasis's proposed nineteen mile, ten-inch diameter crude oil pipeline will provide needed capacity to transport increased production of crude oil from the Bakken and Three Forks formations. In addition, to accommodate the ever-increasing Bakken development in northwestern North Dakota, the construction of even more processing and transmission infrastructure will be required, and Oasis may develop additional facilities to address this need within the next ten years.

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 Resource Study Project 23 (2008).

² United States Geological Survey, Assessment of Undiscovered Oil Resources in the Devonian-Mississippian Bakken Shale Formation, Williston Basin Province, Montana and North Dakota (2008), *available at* <http://pubs.usgs.gov/fs/2008/3021/> (Last visited Aug. 26, 2015).

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), *available at* <http://pubs.usgs.gov/fs/2013/3013/>

⁴ North Dakota Department of Mineral Resources, North Dakota Monthly Oil Production Statistics, *available at* <https://www/dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf> (Last visited Aug. 15, 2015).