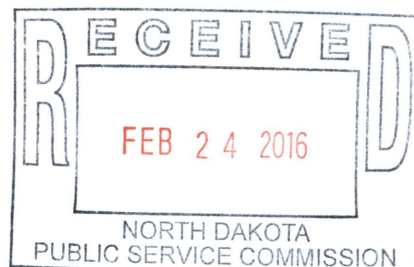


February 24, 2016

VIA HAND DELIVERY

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



RE: BOE Pipeline, LLC —
Case No. PU-16-_____

Dear Mr. Nitschke:

Enclosed for filing, please find an original and ten (10) copies of the following:

1. Consolidated Application for a Certificate of Corridor Compatibility and Route Permit, including Application for Waiver of Procedures and Time Schedules; and
2. Filing fee in the amount of \$100,000.

Electronic versions of all documents, including relevant shapefiles with each application, are also provided. If you should have any questions, please advise.

Sincerely,

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

LAWRENCE BENDER

LB/ber
Enclosures

cc: John Wadsworth (*via e-mail*)
Scott Besmer (*via e-mail*)
Nick Anderson (*via e-mail*)

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PU-16-94 Filed: 2/24/2016 Pages: 9
Application for Waiver of Procedures and Time Schedules

BOE Pipeline, LLC
Lawrence Bender, Fredrikson&Byron P.A.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA**

IN THE MATTER OF THE COMBINED
APPLICATION OF BOE PIPELINE, LLC, FOR
A CERTIFICATE OF CORRIDOR
COMPATIBILITY AND ROUTE PERMIT
FOR THE BOE II CRUDE OIL PIPELINE
PROJECT IN DUNN AND MCKENZIE
COUNTIES, AND REQUEST FOR WAIVER
OF PROCEDURES AND TIME SCHEDULES

CASE NO. PU-16-_____

**Application of BOE Pipeline, LLC
for Waiver or Reduction of Procedures and Time Schedules**

In connection with its submission of a consolidated application for a Certificate of Corridor Compatibility and Route Permit (“Consolidated Application”) for a 16-inch crude oil pipeline, approximately 41.8 miles in length, known as the BOE II Pipeline Project to be located in Dunn and McKenzie Counties, North Dakota (the “Project”), BOE Pipeline, LLC (“BOE Pipeline”) submits to the North Dakota Public Service Commission (“Commission”) this application for a waiver or reduction of procedures and time schedules set forth in Chapter 49-22 of the North Dakota Century Code (“Siting Act”) and Article 69-06 of the North Dakota Administrative Code (“Siting Rules”). BOE Pipeline requests that the Commission waive and/or reduce procedures and time schedules required by the Siting Act and Siting Rules to accomplish the purposes as requested herein. BOE Pipeline’s request includes, but is not limited to:

1. That the Commission waive, pursuant to North Dakota Century Code Sections 49-22-07.2 and 49-22-13, and North Dakota Administrative Code Section 69-06-01-02 and Chapter 69-06-06, the provisions of North Dakota Century Code Sections 49-22-08, 49-22-08.1, and 49-22-13, and North Dakota Administrative Code Section 69-06-01-02 insofar as they require the separate filing of applications for

a Certificate of Corridor Compatibility (“Corridor Certificate”) and a Route Permit, separate notices of such applications, separate hearings on such applications, and certain time schedules as set forth in said statutes and rules.

2. That the Commission allow for consolidation of the applications for a Corridor Certificate and a Route Permit, and allow for a consolidated notice of publication.
3. That the Commission hold a single consolidated hearing on this waiver request and its Consolidated Application.
4. That the Commission waive the requirements of Section 49-22-13 of the North Dakota Century Code insofar as this section requires separate hearings to be held in each of the counties affected by the Project, and instead hold only one hearing addressing all affected counties.

Consistent with the Commission’s Energy and Transmission Facility Siting Guidelines (“Commission’s Guidelines”), BOE Pipeline provides the following information in support of its waiver requests:

A. Description of Proposed Project.

1. **Type:** The Project will require installation of an underground steel pipeline that will transport crude oil. Aboveground facilities and equipment associated with the Project would include nine (9) mainline valves, one (1) pipeline inspection gauge launcher and receiver, and pipeline markers.

2. **Product:** The Project will transport crude oil.

3. **Size and Design:** The proposed Project will have a maximum operating temperature of 120 degrees Fahrenheit and a maximum operating pressure (“MOP”) of 1,480 pounds per square inch gauge (“psig”). The proposed Project will have a maximum capacity of

165,000 barrels per day (“bpd”). Normal operating pressure will be between 200 and 1,440 psig. The steel pipeline used for the Project will meet United States Department of Transportation regulations, specifically the design criteria outlined in 49 CFR Part 195, Subpart C. The Project will be constructed, operated, and maintained in accordance with 49 CFR Part 195.

4. **Location:** The total length of the Project is approximately 41.8 miles located in Dunn and McKenzie Counties, North Dakota. The Project will result in a transmission pipeline originating from a terminal east of Johnson’s Corner, North Dakota, near North Dakota Highway 73, and terminate at a BOE terminal southwest of Killdeer, North Dakota. Maps of the proposed Project are provided in the Consolidated Application, submitted herewith.

5. **Geographic Service Area:** As noted above, the Project is located in Dunn and McKenzie Counties and will connect a terminal east of Johnson’s Corner, North Dakota, with an existing BOE terminal southwest of Killdeer, North Dakota. The existing BOE terminal in Killdeer is connected to the BOE Rail Hub located southwest of Dickinson, North Dakota. The immediate area served by the Project will be western North Dakota; however, the crude oil will ultimately be distributed throughout the United States.

6. **Time Schedule:** BOE Pipeline proposes to develop the Project on the following schedule:

- February 2016 — BOE Pipeline files with the Commission a consolidated application for a Corridor Certificate and Route Permit.
- May 2016 — The Commission issues a Corridor Certificate and Route Permit for the Project.
- July 2016 — BOE Pipeline will begin construction of the Project.
- August 2017 — Construction is anticipated to be completed. Testing will occur immediately after construction is complete and prior to commissioning.

7. **Future Plans:** At this time, BOE Pipeline has no specific plans for additions to or modifications of the Project.

B. Need for the Project.

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 are 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. Information from the NDDMR indicates that oil production has increased dramatically over the past five years from approximately 277,640 bpd in March of 2010 to over 1,190,583 bpd in March of 2015.³

The major constraint in transporting oil from North Dakota to distribution centers and eventual end users in the United States is the lack of pipeline capacity. With the constraints to the existing transportation infrastructure in the Project area, construction of the Project will provide firm, reliable transport of up to 165,000 bpd of crude oil between the terminal east of Johnson’s Corner, North Dakota and the BOE terminal southwest of Killdeer, North Dakota.

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 United State Geological Survey, Assessment of Undiscovered Oil Resources in the Devonian-Mississippian Bakken Formation, Williston Basin Province, Montana and North Dakota, 2008, <http://pubs.usgs.gov/fs/2008/3021/> (last visited Feb. 23, 2016).

³ North Dakota Department of Mineral Resources, North Dakota Monthly Oil Production Statistics, <https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf> (last visited Feb. 23, 2016).

The Project will provide a more efficient link between oil production in oilfields in northwestern North Dakota, to the rail transporting facilities near Dickinson, where the crude oil would be shipped via rail to end users throughout the United States.

Additionally, transporting crude oil in western North Dakota currently involves significant movement of crude oil by tanker truck over public roadways, a public safety issue that the Project will help prevent. The Project would reduce the number of trucks traveling between Johnson's Corner and Killdeer, which would alleviate burden on already strained roads and infrastructure and reduce the safety risks and impacts associated with transporting oil by truck.

For additional analysis of the need for the Project, please see Section 3 of the Consolidated Application, which accompanies this waiver application. For a discussion of alternatives evaluated, please see Section 3.2 of the Consolidated Application.

C. Cost.

BOE Pipeline estimates that it will cost approximately \$55 million to develop the Project.

D. Waiver Request.

BOE Pipeline requests that the Commission grant the waivers requested herein because said waivers are needed to prevent potentially significant delays to the Project. As noted above, the Project is needed to provide a safe and economical means of transporting crude oil between Johnson's Corner and Killdeer. Utilizing the Project will eliminate the need to transport the crude oil between the two locations via truck, which, in turn, will reduce truck traffic on North Dakota roads and highways. Without the waivers of time schedules and procedures requested, completion of the Project will be delayed and the Project will not be able to satisfy the

immediate need for a safer, more efficient means of transporting crude oil to facilities that have access to major markets.

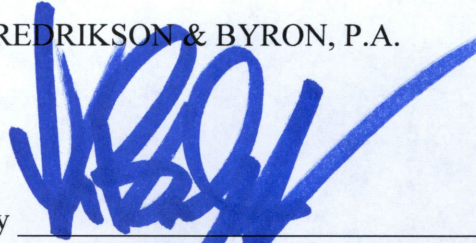
Section 49-22-07.2 of the North Dakota Century Code provides that the Commission may waive procedures and time schedules upon a finding that “the proposed facility is of such length, design, location, or purpose that it will produce minimal adverse effects.” Based upon the investigation and analysis set forth in BOE Pipeline’s Consolidated Application, granting the waivers requested is appropriate because the proposed facility will produce minimal adverse effects due to its length (approximately 41.8 miles), its design (an underground pipeline), its location (located in rural Dunn and McKenzie Counties and avoiding Exclusion and Avoidance Areas), and its purpose (underground pipeline transportation of crude oil).

In determining whether the proposed facility will result in adverse impacts on the environment, BOE Pipeline evaluated the Project using the criteria set forth in the Siting Act, the Siting Rules, and the Commission’s Guidelines. More specifically, BOE Pipeline evaluated the impacts of the Project considering the siting criteria set forth in Section 69-06-08-02 of the North Dakota Administrative Code and the factors set forth in Section 49-22-09 of the North Dakota Century Code. Impacts associated with the Project, and mitigation measures that will be taken with respect to said impacts, are summarized throughout Section 4 of the Consolidated Application. Based upon BOE Pipeline’s siting criteria evaluation, and the factors set forth in the Guidelines, the Project will have minimal adverse effects.

Accordingly, BOE Pipeline respectfully requests that the Commission grant the requested waivers and render an expeditious decision.

Dated this 23rd day of February, 2016.

FREDRIKSON & BYRON, P.A.

A large, stylized handwritten signature in blue ink, appearing to be 'LKB', is written over the text 'By' and the first line of the address.

By

LAWRENCE BENDER, ND Bar #03908
DANIELLE M. KRAUSE, ND Bar #06874
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