

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

**Bakken Oil Express, LLC
Crude Oil Pipeline — Dunn and Stark Counties
Siting Application**

CASE NO. PU-13-825

**APPLICATION OF BAKKEN OIL EXPRESS, LLC FOR WAIVER OR
REDUCTION OF PROCEDURES AND TIME SCHEDULES**

In connection with its submission of a consolidated application for a second amended Certificate of Corridor Compatibility and second amended Route Permit for approximately 38 miles of 16-inch and 20-inch steel crude oil pipeline originating at a tanker truck unloading and pumping facility near Killdeer, in Dunn County, North Dakota, and terminating at a rail loading and storage facility owned and operated by Bakken Oil Express, LLC (“BOE”), located to the southwest of the City of Dickinson, in Stark County, North Dakota (the “Project”), BOE submits to the 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”). In accordance with Section 49-22-07.2 of the North Dakota Century Code and Chapter 69-06-06 of the North Dakota Administrative Code, BOE 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’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, any applicable 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 second amended Certificate of Corridor Compatibility and a second amended Route Permit, separate notices of such applications, and certain time schedules as set forth in said statutes and rules.

2. That the Commission waive the requirements of Sections 49-22-07.2, 49-22-08, 49-22-08.1 and 49-22-13 of the North Dakota Century Code and Chapter 69-06-01-02 of the North Dakota Administrative Code insofar as these sections may require that the Commission hold a public hearing on a waiver request, the application for a second amended Certificate of Corridor Compatibility, and/or the application for a second amended Route Permit. Instead, BOE requests that the Commission proceed by its notice of opportunity for hearing procedures, as set forth in the Certification Relating to Order Provisions with respect to modifications of the transmission facility, and issue a second amended Certificate of Corridor Compatibility and second amended Route Permit after the notice of opportunity for hearing time has expired, unless a hearing is specifically requested by an interested party.

Consistent with the Commission's Energy and Transmission Facility Siting Guidelines ("Guidelines"), BOE provides the following information in support of its requests for waiver or reduction of procedures and time schedule:

A. Description of Proposed Project.

1. **Type:** The Project is an existing crude oil pipeline system consisting of approximately 38 miles of 16-inch and 20-inch steel crude oil pipeline located in Dunn and Stark Counties, North Dakota.

2. **Product:** The Project, as modified, will continue to transport crude oil produced in Dunn and Stark Counties, North Dakota.

3. **Size and Design:** The size and design of the Project, as modified, will remain the same as approved in the Commission's orders issued in this matter, excepting the following change:

- Dickinson Bypass Reroute: In Sections 23 and 26, T140N, R97W along 116th Street SW, Stark County, Dickinson, North Dakota, per North Dakota Department of Transportation ("DOT") request, BOE requests permission to construct a replacement segment of pipeline, which will shift the Project to the east approximately 275-foot to avoid the construction of a portion of the Dickinson Bypass being constructed by the DOT.

5. **Geographical Service Area:** As noted above, and as set forth in the documents previously submitted by BOE in this matter, the Project provides North Dakota Bakken oil producers in portions of Dunn and Stark Counties, North Dakota, with access to a number of potentially attractive markets across the United States, and this shift will allow BOE to continue to provide this service.

6. **Time Schedule:** Construction of the Project was completed in July of 2014. Construction for the transmission facility modification requested herein is expected to commence upon Commission approval, and will take approximately four (4) weeks to complete.

7. **Future Plans:** At this time, BOE has no specific plans for additions to or modifications of the Project, other than requested in the accompanying documents.

B. Need for Facility.

In its current configuration, the Project allows BOE to provide a safe and efficient mechanism to transfer crude oil in Dunn and Stark Counties. 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 continue to prevent. Approval of the

requested modifications to the Project will allow BOE to continue to provide the needed capacity to transport crude oil production safely and economically from the Bakken and Three Forks formations to facilities with access to major markets. The need for the facility is further addressed in the Commission's December 30, 2013 Order granting approval of the Project.

C. Cost.

The corridor and route modifications are estimated to cost approximately \$400,000.

D. Waiver Request.

The waivers of time schedules and procedures requested herein are needed to prevent potentially significant delays in continued utilization of the Project, as Project construction was completed in July of 2014. The request for modification of the transmission facility contained herein stems from a request made by the DOT to reroute a section of the existing Project due to potential conflicts associated with the adjacent Dickinson Bypass roadway project. The request is therefore based on factors which are outside the control of BOE.

Without a timely waiver grant, continued use of the Project may be delayed which could have negative impacts. Construction and utilization of the Project has benefited landowners, municipalities, and the citizens of North Dakota by significantly reducing traffic congestion and impacts on road infrastructure caused by truck transportation. It has also benefited oil producers and mineral owners by alleviating dependence upon previously constrained pipeline capacity, and by providing access to new markets for Bakken crude oil products. Without the waivers of time schedules and procedures requested, BOE will not immediately be able to provide a needed means of transporting crude oil to new markets in a timely manner, which will limit the ability of those producers to market their crude oil, and could limit the reduction of truck traffic and its associated impacts the Project has seen to date.

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.” Granting the waivers requested is appropriate because the Commission has already issued a first amended Certificate of Corridor Compatibility and first amended Route Permit for the Project; thus, it has been determined that the Project will produce minimal adverse effects. The Project has also been in-service since 2014.

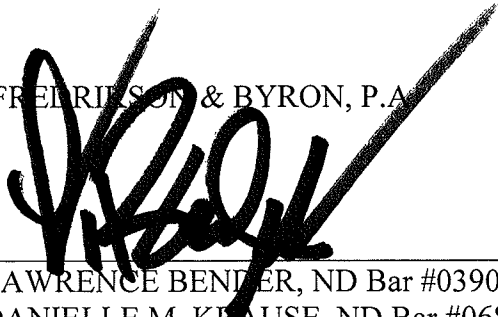
The requested modification to the transmission facility, which amounts to a small shift by request of the DOT, will also produce minimal adverse effects. The approximately 275-foot shift in the location of the pipeline is in an area where the DOT has obtained a right-of-way and the land is owned by the State of North Dakota. Additionally, all necessary environmental and archaeological reviews of the modification have been completed. The route change will not affect any of the Public Service Commission exclusion, avoidance, or selection criteria.

For the reasons set forth above, and based on the documentation submitted in connection with the consolidated application for a second amended Certificate of Corridor Compatibility and second amended Route Permit, BOE respectfully requests that the Commission grant the requested waivers and render an expeditious decision through its notice and opportunity for hearing procedures.

Dated this 26th day of February, 2016.

FREDRIKSON & BYRON, P.A.

By

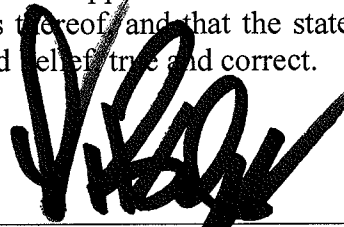


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) ss.
COUNTY OF BURLEIGH)

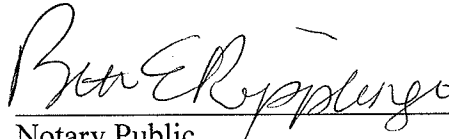
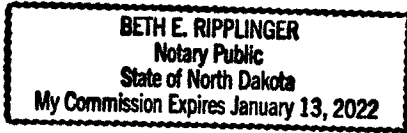
LAWRENCE BENDER, of lawful age, being first duly sworn, on oath deposes and says:

That he is one of the attorneys for Applicant in the foregoing application; that he executed the foregoing application for and on behalf of said Applicant and as its said attorney that he has read said application and knows the contents thereof and that the statements made and contained therein are, to the best of his knowledge and belief true and correct.



LAWRENCE BENDER

Subscribed and sworn to before me this 26th day of February, 2016.



Notary Public
My Commission Expires: