

APPENDIX B

Ten-Year Plan



TEN YEAR PLAN: 2016-2026

NST Express, LLC

May 2016

In accordance with N.D.C.C. § 49-22-04 and N.D.A.C. Ch. 69-06-02, NST Express, LLC (“NST Express”), submits the following Ten Year Plan for years 2016 through 2026.

- (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 does not currently operate any transmission facilities in North Dakota.

On October 14, 2015, the North Dakota Public Service Commission (“Commission”) issued Certificate of Corridor Compatibility No. 173 and Route Permit No. 185 to NST Express for the construction of an approximately 23-mile-long, 12-inch-diameter crude oil pipeline and associated facilities located in McKenzie County, North Dakota (the “NST Express Project”). The NST Express Project includes the NST Express Alexander Facility, a market hub located north of Alexander, North Dakota. The pipeline originates at the NST Express Alexander Facility and terminates at the existing NST Transload East Fairview Facility in East Fairview, North Dakota. The NST Express Project is currently under construction, and is anticipated to be in-service in October 2016. Additional detailed information regarding the NST Express Project is provided in Case No. PU-15-232.

Additionally, NST Express plans to submit a Consolidated Application for a Certificate of Corridor Compatibility and Route Permit for an approximately 3.6-mile-long, 8-inch-diameter crude oil pipeline and associated facilities located in McKenzie County, North Dakota (the “WTT Project” and, together with the NST Express Project, the “Projects”). The WTT Project will originate at Tesoro Logistics GP, LLC’s existing crude oil break-out tank located north of Alexander, North Dakota (the “Tesoro Break-Out Tank”) and terminate at the NST Express Alexander Facility.

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.

As discussed above, NST Express is constructing the NST Express Project, which begins at the NST Express Alexander Facility in Section 24, Township 152 North, Range 102 West,

McKenzie County, North Dakota, extends westward and southward, and terminates at the existing NST Transload East Fairview Facility in Section 30, Township 151 North, Range 104 West, McKenzie County, North Dakota. Maps depicting the location of the NST Express Project are provided in Case No. PU-15-232. As set forth in the Commission's October 14, 2015 Findings of Fact, Conclusions of Law and Order ("Order") issuing Certificate of Corridor Compatibility No. 173 and Route Permit No. 185, and post-Order filings, the corridor and route for the NST Express Project complies with the Commission's siting criteria, including the exclusion and avoidance areas referenced in N.D.C.C. § 49-22-05.1 and identified in N.D.A.C. § 69-06-08-02 (see Case No. PU-15-232).

Additionally, NST Express is developing the WTT Project, which will also be located in McKenzie County, North Dakota. The WTT Project will commence at the Tesoro Break-Out Tank in Section 5, Township 151 North, Range 101 West, McKenzie County, North Dakota, extend northward and westward, and interconnect to the NST Express Alexander Facility in Section 24, Township 152 North, Range 102 West, McKenzie County, North Dakota. A map depicting the proposed location of the WTT Project is attached as **Exhibit A**. NST Express evaluated a study area for the WTT Project to identify a corridor and route that meets project needs, while minimizing potential land use and environmental impacts, and taking into consideration landowner input and design and construction limitations. Route selection within the corridor was made in compliance with N.D.C.C. § 49-22-05.1. NST Express's Consolidated Application for a Certificate of Corridor Compatibility and Route Permit for the WTT Project, which will be filed with the Commission in the near future, will discuss the WTT Project's compliance with the Commission's siting criteria in greater detail.

- (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 Projects, NST Express performed centerline surveys of the routes, and based on those surveys, NST Express identified all third-party entities/utilities that would be encountered (e.g., petroleum, water, electric). NST Express then contacted, or will contact, each entity to obtain its respective crossing and encroachment guidelines and requirements. These requirements have been or will be incorporated, as applicable, into the design of the Projects, and NST Express will continue to work closely with each entity during the construction and operation and maintenance phases in order to safely construct and operate the Projects around adjacent utilities.

NST Express continues to explore potential interconnection opportunities with other pipeline facility owners.

- (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 engaged qualified environmental consulting firms to conduct studies of and identify avoidance and exclusion areas within each Project's respective corridor and route, in accordance with N.D.C.C. Ch. 49-22 and N.D.A.C. Ch. 69-06-08. To date, no environmental or siting concerns have been identified within the Projects' respective study areas that would preclude project development. NST Express has also developed an Environmental Mitigation Plan for each Project that outlines general construction-related mitigation measures to minimize impacts to natural and cultural resources from project development.

NST Express has consulted, and will continue to coordinate with, federal, state and local agencies and governmental units regarding the Projects. NST Express will obtain all required permits for the Projects.

- (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

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).

Dakota.³ Statistics from the NDDMR indicate that oil production has increased dramatically over the past ten years from an average of nearly 110,000 bpd in 2006 to an average of over 1,180,000 bpd in 2015.⁴

Insufficient pipeline infrastructure exists to gather and transport crude oil in western North Dakota generally and, with respect to the Projects, no pipeline infrastructure currently exists between each Project's origination and termination points. 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 Projects will help address these issues by providing the safe, efficient, and reliable transport of up to 100,000 bpd (NST Express Project) and up to 40,000 bpd (WTT Project) of crude oil via pipeline. The WTT Project will provide an additional outlet for crude oil from the Tesoro system, thereby removing an existing capacity constraint and enabling additional crude oil barrels to enter the system that would otherwise be transported to a market hub by truck. Crude oil transported by the WTT Project or other means to the NST Express Alexander Facility can then be transported via the NST Express Pipeline to the NST Transload East Fairview Facility with access to rail, or via third-party interconnecting pipelines. Both options will provide producers with access to major U.S. markets, thereby offering producers greater options for markets and pricing, and the potential for better netbacks.

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 May 2016 at: <http://pubs.usgs.gov/fs/2013/3013/>.

⁴ North Dakota Department of Mineral Resources. North Dakota Monthly Oil Production Statistics. Web access in May 2016 at: <https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf>.

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Case No. PU-16-___

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 June 7, 2016, the following document was served:

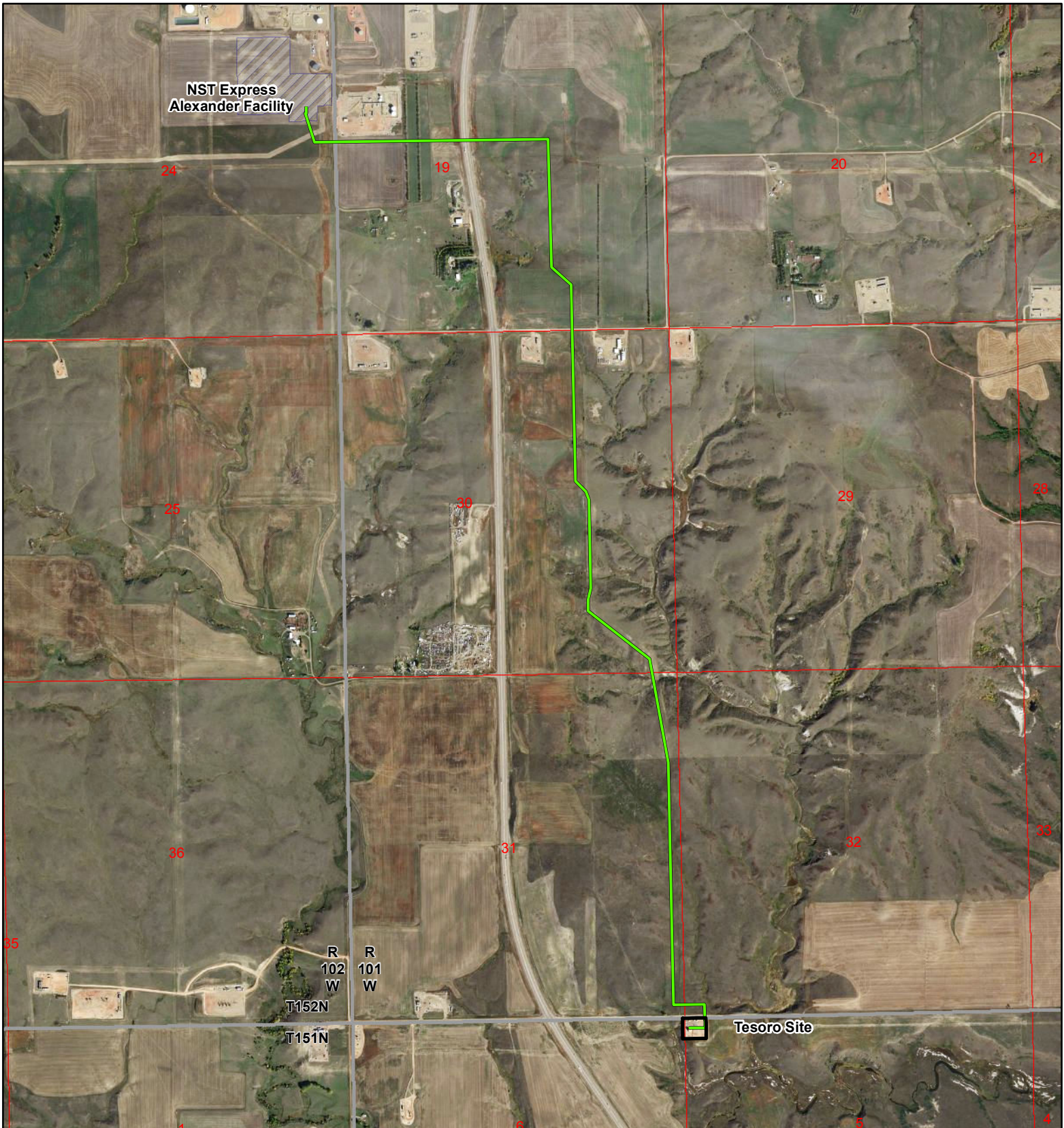
Ten Year Plan: 2016-2026

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



ARCADIS Design & Consultancy
for natural and built assets

189 North Cedar Street
Buffalo, WY 82834

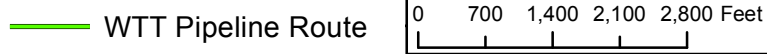
Phone # (307) 684-5891
Fax # (307) 684-5961



NST Express WTT Pipeline Aerial Map

McKenzie County, North Dakota

Scale: 1:24,000 1"=2000'



Date: 6/1/2016

Exhibit

A

Projection: NAD 1983, UTM Z13N Meter
Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community