

January 30, 2017

**VIA HAND DELIVERY**

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

**RE: Targa Badlands LLC - Case No. PU-16-695  
Request for Supplemental Information**

Dear Mr. Nitschke:

This letter is a follow up to a request received from your office for supplemental information in support of Targa Badlands LLC's ("Targa") Application for a Certificate of Corridor Compatibility and Route Permit ("Application") for the Johnsons Corner – Alexander Crude Oil Pipeline and associated facilities in McKenzie County (the "Project") filed with the North Dakota Public Service Commission ("Commission") on November 15, 2016.

The Commission has requested additional information regarding the gathering line laterals connected to the Project. Upon review of Figure 5 contained in the Application depicting the laterals, it was discovered that Figure 5 inadvertently included information not relevant to the Project. To remedy this issue, enclosed for filing is a corrected Figure 5, which is intended to replace Figure 5 located on page 8 of Tab 1 of the Application. The gas line on the previous Figure 5 was removed, along with all gathering lines east of Johnsons Corner. The gathering lines east of Johnsons Corner gather oil from the lease sites to the first pipeline storage site at Johnsons Corner, and therefore are not subject to the jurisdiction of the Commission and are unrelated to the Project.

Targa understands the questions of the Commission are posed to ensure the laterals will not be classified as transmission if conversion of the Project is approved. The two lateral lines depicted on corrected Figure 5 currently operate as gathering lines, and will continue to do so after conversion of the Project. The gathering lines gather oil from various well sites, and are typically operated at a pressure in the range of 300 to 500 psi. The only pumps associated with the gathering lines are located inside of the LACT units, which are the custody transfer points of the oil from the producers and operators of the wells to Targa. Currently there are no other

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intermediate pumps from these well pads to the delivery point. Additionally, Targa does not have storage at the producer pads, as all wells are owned by the producers.

Further, there are no pumps or storage tanks located at the tie-in locations of the gathering line laterals to the Project. The only above ground structures at the lateral tie-in locations are above ground pig traps for cleaning the lateral and a valve/check valve assembly that ensures the flow of oil only goes one direction off the lateral to the trunk line. These laterals will continue to operate as gathering lines because they will only gather oil from the lease sites and flow in one direction into the Project. At no point will the oil flow from the Project line into the gathering lines. Accordingly, the laterals will continue to be classified as gathering lines under N.D.C.C. § 49-22-03(12)(b) upon conversion of the Project.

As discussed in detail in the Application, the Project is not currently being utilized as a transmission line. Targa seeks the ability to utilize the storage tanks at Johnsons Corner and Alexander to store crude oil before the oil is transported by the Project. Upon conversion, Targa seeks to utilize the Project for bidirectional flow, thereby enabling delivery of crude oil to recipients near either the Alexander or Johnsons Corner facilities. Please see Section 3 of the Application for further discussion of how use of the pipeline will differ upon conversion.

Also enclosed herewith are the requisite copies of Figure 5, along with a CD containing an electronic version. If you should have any questions regarding the enclosed supplemental information, please advise.

Sincerely,



LAWRENCE BENDER

LB/dmk  
Enclosures

cc: Jerry Lein (*via e-mail w/ enclosure*)