

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION  
OF ARROW FIELD SERVICES, LLC FOR  
A CERTIFICATE OF CORRIDOR  
COMPATIBILITY AND ROUTE PERMIT  
FOR THE NB RESIDUE GAS PIPELINE  
AND THE BAKKEN NGL PIPELINE IN  
MCKENZIE COUNTY, NORTH DAKOTA

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CASE NO. PU-17-\_\_\_\_\_

**Application of Arrow Field Services, LLC  
for Waiver or Reduction of Procedures and Time Schedules**

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In connection with its submission of a consolidated application for a Certificate of Corridor Compatibility and Route Permit (“Consolidated Application”) for the construction of the NB Residue Gas Pipeline and the Bakken NGL Pipeline Project (the “Project”), which is a 10-inch residue gas pipeline and an 8-inch NGL pipeline, each approximately 2.6 miles in length, and associated facilities, all of which will be located in McKenzie County, North Dakota, Arrow Field Services, LLC (“Arrow”), submits to the North Dakota Public Service Commission (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 and Article 69-06 of the North Dakota Administrative Code. Arrow requests 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. In accordance with 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, Arrow’s request includes, but is not limited to:

1. That the Commission waive 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

waiver of procedures and time schedules, 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 the Consolidated Application.

Consistent with Section 69-06-06-01(2) of the North Dakota Administrative Code, Arrow provides the following information in support of its waiver requests:

**A. Description of Proposed Project.**

**1. Type.**

The Project is comprised of two separate pipelines and associated facilities for the transport of residue gas (i.e., natural gas from which NGLs have been removed) and natural gas liquids (NGLs). The residue gas pipeline is an underground, 10-inch pipeline that will be approximately 2.6 miles long and the NGL pipeline is an underground, 8-inch pipeline that will be approximately 2.6 miles long. Both pipelines will be constructed within the same right-of-way (ROW). Both pipelines will commence at a proposed natural gas processing plant (the “Natural Gas Plant”), which will be located on up to 40 acres of land at the northern end of the ROW for the Project. The Natural Gas Plant will have a processing capacity of 30 million cubic feet per day. Based on this capacity, the Natural Gas Plant is not subject to Commission jurisdiction and is not included as part of the Consolidated Application. The Residue Gas Pipeline will be connected to a third-party natural gas transmission pipeline at its terminus, while the Bakken NGL Pipeline will be connected to a third-party NGL processing facility at its terminus.

At the Natural Gas Plant, Arrow would construct the following surface facilities:

- NB Residue Gas Pipeline – metering equipment, compressor station, PIG launcher, control building, and supervisory control and data acquisition (“SCADA”) system and associated communication equipment.
- Bakken NGL Pipeline – metering equipment, pipeline pump station, PIG launcher, control building, and SCADA system and associated communication equipment.

At the third-party tie-in points for the natural gas transmission pipeline and the NGL facility, Arrow would construct block valves equipped with pneumatic controllers with automatic emergency shutdown capability if over pressuring of the pipeline(s) is detected. In addition to the block valves, delivery point equipment will include PIG receivers and associated SCADA system equipment.

**2. Product.**

The Project will transport Residue Gas and NGLs in two separate pipelines.

**3. Capacity and Design.**

The Project will require installation of a nominal 10.750-inch outside diameter steel pipeline with a nominal wall thickness of 0.365 inch for the Residue Gas Pipeline and a nominal 8.625-inch outside diameter steel pipeline, with a nominal wall thickness of 0.322 inch for the NGL Pipeline. The nominal wall thicknesses will increase to 0.500 inch for both pipelines at specific locations, such as road crossings. The pipe material will be API5L X42. The maximum operating pressure (“MOP”) for the NB Residue Gas Pipeline is 1,480 pounds per square inch gauge (psig) and for the Bakken NGL Pipeline the MOP is 1,440 psig. The pipelines will be designed to operate at a maximum of 100 degrees Fahrenheit. The maximum design flow rate for the NB Residue Gas Pipeline is 30 million cubic feet per day, and the maximum design flow rate

for the Bakken NGL Pipeline is 5,000 barrels per day. The Project will be constructed, operated, and maintained in accordance with 49 C.F.R. Part 192 and Part 195.

For additional analysis of the capacity and design for the proposed Project, please see Sections 1.0, 9.1, and 9.2 of Arrow's Consolidated Application, which accompanies this waiver application.

**4. Location.**

Both of the pipelines associated with the Project will be approximately 2.6 miles in length, all of which will be located in McKenzie County, North Dakota. The pipelines will originate at the proposed Natural Gas Plant, located approximately 6.75 miles southeast of Watford City, North Dakota. The pipelines will then run south and west to connect to an existing third-party natural gas transmission pipeline and an existing third-party NGL facility, both of which are located approximately 7.65 miles south-southeast of Watford City, North Dakota. Maps of the proposed Project are provided in Appendix A to the Consolidated Application filed herewith.

**5. Geographical Service Area.**

As noted above, the Project is located entirely in McKenzie County. The Residue Gas Pipeline will be connected to a third-party natural gas transmission pipeline and the gas will be transported to markets in the Chicago, Illinois area. The NGL pipeline will be connected to a third-party NGL facility and the NGLs will be transported to processing facilities where they will be separated into various marketable components (e.g., propane, butane, pentane, hexane, and heptane) and distributed to markets in the mid-continent region of the country.

**6. Time Schedule.**

Arrow proposes to develop the Project on the following schedule:

- April 2017 – The Commission issues a Corridor Certificate and Route Permit for the Project.

- May 2017 – Arrow will begin construction of the Project.
- August 2017 – Arrow will have completed construction of the Project.
- Commissioning and restoration activities will commence immediately following construction of the Project, and the Project will be in-service in September 2017.

**7. Future Plans.**

Arrow has no specific plans for additions to or modifications of the Project at this time.

**8. Need for the Facility and Alternatives Considered.**

Between 2009 and 2015, the volume of vented and flared natural gas in the Williston Basin in North Dakota increased significantly—from approximately 26,876 to 106,590 million cubic feet per day. A large portion of this natural gas was flared at the wellhead due to inadequate gathering and processing systems and coverage. Although natural gas gathering system coverage has increased in recent years, oil and gas production is expected to increase in the next 10 years and the Project will help fulfill the need to provide additional collection and processing capabilities that will help maximize oil and gas resource development and utilization.

The proposed Natural Gas Plant and associated gathering system pipeline will help reduce the volume of unmarketed natural gas released presently, but will also minimize future releases as more wells are completed and tied into the gathering system pipeline. In addition, the Residue Gas that will be produced by the Natural Gas Plant will be transported to an existing natural gas transmission pipeline and sent to consumers in North Dakota and adjoining states. The NGLs removed by the gas processing plant are valuable products that will be collected and transported to a third-party NGL facility for subsequent use in a variety of manufacturing and commercial enterprises. Thus, the Project will help maximize environmentally sound and economic development and utilization of the oil and gas resources in North Dakota.

For additional analysis of the need for the proposed Project, including a discussion of alternatives evaluated, please see Sections 3.0 and 13.0 of Arrow's Consolidated Application, which accompanies this waiver application.

**9. Ten Year Plan.**

The Project is consistent with Arrow's Ten Year Plan for 2017-2027, which was filed with the Commission in January of 2017.

**10. Cost.**

Arrow estimates that it will cost approximately \$6.3 million to develop the Project.

**B. Waiver Request.**

Arrow requests that the Commission grant the waivers requested herein because these waivers are needed to prevent potentially significant delays to the Project. Without the waivers of time schedules and procedures requested, completion of Arrow's proposed Project will be delayed, which in turn, will delay the environmentally sound and economic development and utilization of the oil and gas resources in McKenzie County.

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 Arrow's Consolidated Application, granting the waivers requested is appropriate because the proposed Project will produce minimal adverse effects due to its length (approximately 2.6 miles), its design (underground, small-diameter pipelines with limited above-ground appurtenances), its location (avoiding Exclusion Areas and avoiding impacts to Avoidance Areas, as set forth in Section 69-06-08-02 of the North Dakota Administrative Code), and its purpose (underground transportation of Residue Gas and NGLs).

In determining whether the Project will result in adverse impacts on the environment, Arrow 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 in Sections 14.0 and 16.0 through 19.0 of the Consolidated Application. Based upon Arrow's siting criteria evaluation, the Project will have minimal adverse effects.

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

Dated this 20<sup>th</sup> day of January, 2017.

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By

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