

December 8, 2017

HAND DELIVERED

Mr. Patrick Fahn
Director, Public Utilities Division
North Dakota Public Service Commission
600 East Boulevard Avenue, Dept. 408
Bismarck, ND 58505-4080

**RE: Arrow Field Services, LLC — Arrow
Bear Den Gas Processing Plant II,
McKenzie County, North Dakota
Case Number PU-17-397**

Dear Pat:

Arrow Field Services, LLC (“Arrow”) is in receipt of your letter dated November 15, 2017 requesting additional information for the North Dakota Public Service Commission (“Commission”) to complete its initial review of the Arrow Bear Den Gas Processing Plant II (“Plant II”) application. Arrow offers the following responses and enclosures. Arrow also submits an amended application to modify certain project information, but also incorporates many of the below responses.

- 1. Describe the function of the Arrow Bear Den Gas Processing Plant I in relation to the function of the Arrow Bear Den Gas Processing Plant II? Is Plant I dependent on Plant II?**

The two processing plants are wholly independent of each other.

- 2. Is Arrow Field requesting a site designation for Plant I and Plant II areas combined?**

Arrow is only requesting a site designation for Plant II.

- 3. Is the Arrow Bear Den Gas Processing Plant II project a deviation from the January 1, 2017 Ten Year Plan? If it is a deviation, provide a statement justifying the deviation.**

Based on modifications made to the Siting Act during the 65th Legislative Session, Ten Year Plans are no longer required for gas or liquid energy conversion facilities or gas or liquid

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Arrow Field Services, LLC
Lawrence Bender, Fredrikson&Byron, P.A.

transmission facilities sited under Chapter 49-22.1. *See* N.D.C.C. ch. 49-22.1. Ten Year Plans are only required for electric energy conversion or electric transmission facilities sited under Chapter 49-22. *See* N.D.C.C. § 49-22-04. Accordingly, Arrow's Ten Year Plan for 2017-2027 can be disregarded, and no further Ten Year Plan or statement explaining the deviation is required for the Plant II under North Dakota Century Code Chapter 49-22.1.

- 4. The application states that the processing capacity of the Plant is 200 million standard cubic feet of natural gas per day (MMscfd). At what input level (MMscfd natural gas) will the Plant be processing during the first year of operation? What is the estimated number of years until the Plant is processing 200 MMscfd of natural gas?**

Arrow has made the decision to reduce the size of the Plant II from 200MMscfd to 120MMscfd and remove the fractionator altogether. An amended application reflecting these changes is also submitted by Arrow. During the first year of operation, Arrow anticipates processing 90MMscfd and 120MMscfd by the second year.

- 5. The application states that residue gas will be transported from the Plant via the NB Residue Gas Pipeline that was permitted by the Commission in Case No. PU-17-48. The Plant will produce 175 MMscfd but the NB Residue Gas Pipeline sited in Case No. PU-17-48 has a capacity of 30 MMscfd. Provide Arrow Field Services plans regarding transportation of the 145 MMscfd that the NB Residue Gas Pipeline will not have capacity to transport?**

The residue gas output with the revised scope to process 120MMscfd at the Plant II would be 100MMscfd, which will be split between connections with Northern Border and WBI that would be expanded as necessary by the time the Plant II is operating at that level.

- 6. The application states that natural gas liquids will be transported from the Plant via the new Bakken NGL Pipeline that was permitted by the Commission in Case No. PU-17-48. The Plant will produce 25,000 barrels per day (bpd) of NGLs but the Bakken NGL Pipeline sited in Case No. PU-17-48 has a capacity of 5,000 bpd. Provide Arrow Field Services plans regarding transportation of the 20,000 bpd that the Bakken NGL Pipeline will not have capacity to transport?**

Arrow has revised the scope of the Plant II and no longer proposes to construct a fractionator. Appropriate information amending the application has also been submitted to the Commission. Based on the revised design, approximately 15,000 bpd of NGLs could be produced. Arrow has confirmed that the Bakken NGL Pipeline has the capacity for this volume. Arrow will provide necessary documentation to the Commission for the Bakken NGL Pipeline to allow for this increased capacity.

7. Given the plan to begin project construction in March 2018, is the company planning to excavate topsoil when the ground is frozen?

Site preparation activities, including grading and excavation, are more efficient when soils are not frozen and Arrow would prefer to commence activities under these conditions. However, schedule is the driving factor for starting construction in March; therefore, frozen soils, including topsoil, may be excavated. Please note that the facility will be graveled 100% within the fence line and site revegetation is not needed, so topsoil salvage is not expected. In the event topsoil salvage is performed, it would be separately stockpiled and seeded throughout construction until utilized in reclamation.

8. Plot drawings show a fence surrounding the plant(s). Will the ground surface inside the fence be covered with gravel? If so, will the gravel surfaced area be larger, smaller, or equal to the fenced area?

The ground surface within and up to the fence-line will be 100% graveled.

9. How will topsoil removed from the site during construction be reclaimed?

No topsoil reclamation is anticipated as the site will be 100% graveled.

10. A table listing all Permits required for the Project and listing the status of each Permit application.

Please see the attached table outlining the status of the permits required for the Plant II project. This table is also included as Table 3 in the Amended Application for a Certificate of Site Compatibility.

11. Updated corporate papers.

Please find attached a copy of the Certificate of Good Standing issued by the North Dakota Secretary of State for Arrow Field Services, LLC dated November 30, 2017. The original will be filed in Arrow's Corporate Papers matter, Case No. PU-11-117.

If you should have any questions, please advise.

Sincerely,

LAWRENCE BENDER

LB/dmk
Enclosures
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