

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION OF
OE2 NORTH LLC FOR A CERTIFICATE OF
CORRIDOR COMPATIBILITY AND ROUTE
PERMIT FOR BILL SANDERSON RESIDUE
AND NGL PIPELINES PROJECT IN
WILLIAMS COUNTY, NORTH DAKOTA

CASE NO. PU-20-_____

**Application of OE2 North LLC for Waiver or Reduction of
Procedures and Time Schedules**

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 Bill Sanderson Residue and NGL Pipelines Project (the “Project”), OE2 North LLC (“OE2”), 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 49-22.1 of the North Dakota Century Code (“Siting Act”) and Article 69-06 of the North Dakota Administrative Code (“Siting Rules”). OE2 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 49-22.1-05 and 49-22.1-10, and North Dakota Administrative Code Section 69-06-01-02 and Chapter 69-06-06, OE2’s request includes, but is not limited to:

1. That the Commission waive the provisions of North Dakota Century Code Sections 49-22.1-06, 49-22.1-07, and 49-22.1-10, and North Dakota Administrative Code Section 69-06-01-02 insofar as they require separate notices of filing of applications for a Certificate of Corridor Compatibility (“Corridor Certificate”), a Route Permit, and the application for waiver of procedures and time schedules

(“Waiver Application”), separate hearings on such applications, and certain time schedules as set forth in said statutes and rules.

2. That the Commission hold a single consolidated hearing on this Waiver Application and the Consolidated Application.
3. That the Commission allow for a consolidated notice of publication with respect to the Consolidated Application and Waiver Application.
4. That the Commission waive the requirements of Section 69-06-05-01(2)(f) of the North Dakota Administrative Code insofar as this section may require a corridor width of ten percent of the corridor’s length with a maximum width of six miles, reducing the required corridor width to between 200 feet and one mile for the Project.

Consistent with Section 69-06-06-01(2) of the North Dakota Administrative Code, OE2 provides the following information in support of its waiver requests:

A. Description of Proposed Project.

1. **Type:** The Project will transport processed natural gas, or residue gas, and natural gas liquids (NGLs) from OE2’s previously permitted Bill Sanderson Gas Plant to existing third-party transmission pipelines, ultimately serving markets located in the Rocky Mountains, Midwest and Gulf regions. The proposed Project consists of construction of (i) one buried 8-inch steel NGL pipeline commencing at OE2’s Bill Sanderson Gas Plant in Williams County, North Dakota, and terminating at the interconnection with ONEOK’s existing transmission pipeline, a distance of approximately 1.28 miles, and (ii) one buried 20-inch steel residue gas pipeline commencing at OE2’s Bill Sanderson Gas Plant and terminating at the interconnection with Northern Border’s existing transmission pipeline in Williams County, North Dakota, a distance of approximately 4.67 miles. Surface facilities related to the pipeline will be limited to

a 100 by 100-foot interconnect site at the terminus of the 8-inch NGL pipeline, a 250 by 250-foot interconnect site at the terminus of the 20-inch residue gas pipeline, together with pipeline markers and cathodic test stations along the proposed routes.

2. **Product:** The Project will transport residue gas and NGLs.

3. **Capacity and Design:** The Project will require installation of 8-inch diameter steel NGL pipeline with a nominal wall thickness of 0.250 -inches, and a 20-inch diameter steel residue gas pipeline with a nominal wall thickness of 0.375 -inches. The maximum operating pressure for each pipeline is 1,650 pounds per square inch gauge (psig), with the normal operating pressure for each pipeline being 1,200 psig. Each pipeline will be designed to operate at a maximum of 120 degrees Fahrenheit. The 8-inch diameter steel NGL pipeline is designed to carry up to 80,000 barrels per day of NGL and the 20-inch diameter steel residue gas pipeline is designed to carry up to 250 million cubic feet per day (MMCFD) of residue gas. The Project will be designed, constructed, operated, and maintained in compliance with applicable portions of the U.S. Department of Transportation regulations set forth in 49 C.F.R. Part 192, Transportation of Natural and Other Gas by Pipeline, and Part 195, Transportation of Hazardous Liquids.

For additional analysis of the capacity, design and technology utilized for the proposed Project, please see Sections 5 and 8 of OE2's Consolidated Application, which accompanies this Waiver Application.

4. **Location:** As explained above, the 8-inch steel NGL pipeline and the 20-inch steel residue gas pipeline will originate at OE2's Bill Sanderson Gas Plant located in Section 27, Township 154 North, Range 104 West, Williams County, North Dakota, approximately 15 miles west of Williston, North Dakota. From the Bill Sanderson Gas Plant, both pipelines will travel

west, collocated for the first mile to the interconnection point of the 8-inch NGL pipeline with ONEOK's existing transmission line located in Section 35, Township 154 North, Range 104 West. The 20-inch residue gas pipeline will continue southwest for approximately 3.39 miles to the interconnection point with the existing Northern Border transmission line located in Section 11, Township 153 North, Range 104 West, Williams County, North Dakota. Maps of the proposed Project and routes of the pipelines are provided in Appendix A to the Consolidated Application filed herewith.

5. **Geographical Service Area:** As noted above, the Project is located entirely in Williams County, North Dakota. The Project will consist of two (2) pipelines to collect residue gas and NGLs from OE2's previously permitted Bill Sanderson Gas Plant. The Bill Sanderson Gas Plant will process wellhead from oil and gas wells located in Williams County, North Dakota and surrounding areas. The wellhead gas will be gathered and delivered to the Bill Sanderson Gas Plant by OE2's gas gathering system. Once processed, the NGL product extracted from the gas will be transferred to the ONEOK pipeline system and the residue gas will be transferred to the Northern Border pipeline system, ultimately serving markets located in the Rocky Mountains, Midwest and Gulf regions.

6. **Time Schedule:** OE2 proposes to develop the Project on the following schedule:

- Right-of-way acquisition for the Project is complete.
- July 2020 – The Commission issues Corridor Certificates and Route Permits for the Project.
- July 2020 – OE2 will begin construction of the Project.
- December 2020 – OE2 will have completed construction of the Project.
- Commissioning and restoration activities will commence immediately following construction of the Project, and the Project is anticipated to be operational December 15, 2020.

7. **Future Plans:** OE2 has no specific plans for additions to or modification of the Project at this time.

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

OE2 is proposing to construct the Project, which consists of an 8-inch NGL pipeline and a 20-inch residue gas pipeline, to deliver processed gas and associated NGLs from OE2's previously permitted Bill Sanderson Gas Processing Plant located in Williams County, North Dakota to two third-party pipelines. Based on historical production data from the North Dakota Oil and Gas Division, state-wide flaring has increased over 8 times from November of 2009 to November of 2019, as the pace of horizontal drilling and production has out-paced the ability of midstream companies such as OE2 to effectively bring wellhead gas to market. The Project, along with the Bill Sanderson Gas Processing Plant, will drastically improve the ability of OE2's upstream customers to economically continue oil and gas production in Williams County and the surrounding areas, while maximizing the stewardship of the environment and the state's mineral reserves through reduced wellhead flaring.

For additional analysis of the need for the Project, including a discussion of alternatives evaluated, please see Sections 3 and 12 of the Consolidated Application, which accompanies this Waiver Application.

9. **Cost.**

The total estimated cost of the Project is \$6 million.

B. Waiver Request.

OE2 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 OE2'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 western North Dakota.

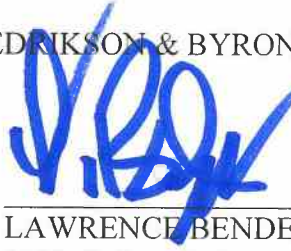
Section 49-22.1-05 of the North Dakota Century Code provides that the Commission may waive procedures and time schedules upon a finding that “the proposed facility is of a length, design, location, or purpose that it will produce minimal adverse effects.” Based upon the investigation and analysis set forth in OE2’s Consolidated Application, granting the requested waivers is appropriate because the proposed Project will produce minimal adverse effects due to its length (approximately 5.95 miles of new construction, collocated for approximately 1 mile), its design (underground piping and limited above-ground appurtenances associated with an underground pipeline), its location (located in rural Williams County, and avoiding Exclusion and 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 proposed transmission facilities will result in adverse impacts on the environment, OE2 evaluated the Project using the criteria set forth in the Siting Act, the Siting Rules, and the Commission’s Guidelines. More specifically, OE2 evaluated the impacts of the Project and associated facilities 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 49-22.1-09 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 10, 11, 13, 16, 17 and 19 of OE2’s Consolidated Application. Based upon OE2’s siting criteria evaluation, and the factors set forth in the Siting Rules, the Project will have minimal adverse effects.

Accordingly, OE2 respectfully requests the Commission grant the requested waivers and render an expeditious decision.

Dated this 3rd day of June, 2020.

FREDRIKSON & BYRON, P.A.



By: _____

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