

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATIONS	}	APPLICATION OF THUNDER BUTTE PIPELINE, LLC FOR WAIVER OR REDUCTION OF PROCEDURES AND TIME SCHEDULES CASE NUMBER PU-24-086
OF THUNDER BUTTE PIPELINE, LLC		
FOR THE THUNDER BUTTE PIPELINE		
PROJECT		

As part of its submission of the 3rd Consolidated Application for a Certificate of Corridor Compatibility and Route Permit (Consolidated Application) for the construction of a 3.84 mile pipeline, conversion of an existing 30.8 mile-long collector to a transmission pipeline, and associated facilities, located in Ward and Mountrail Counties, North Dakota (Thunder Butte Pipeline Project), Thunder Butte Pipeline, LLC (TBPL), submits to the North Dakota Public Service Commission (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. Pursuant to N.D.C.C. § 49-22-07.2 and N.D.A.C. 69-06-06, TBPL requests that the commission waive the following requirements for the Thunder Butte Pipeline Project. Granting the waivers request is appropriate because the proposed facility is of such a length, design, location, and purpose that it will produce minimal adverse effects.

1. The requirements to hold a separate hearing on a waiver request, a Certificate of Corridor Compatibility (Corridor Certificate) application and a Route Permit Application, as may be required by N.D.C.C. §§ 49-22-07.2, 49-22-08, 49-22-08.1, and 49-22-13 and N.D.A.C. § 69-06-01-02. TBPL further requests that the Commission hold a single consolidated hearing on this waiver request and TBPL's

Consolidated Application. Furthermore, TBPL requests that the Commission shorten the three-month period specified by N.D.C.C. § 49-22-08(6), and the six-month period specified by N.D.C.C. § 49-22-08.1(5).

2. The requirements of N.D.C.C. §§ 49-22-09 and 49-22-08.1 insofar as these sections may require the separate filing of applications for a Corridor Certificate and a Route Permit, and insofar as they require separate publication of notices for said applications.

Consistent with N.D.A.C. § 69-06-06-01(2), TBPL provides the following information in support of its waiver requests:

A. Description of Proposed Project.

1. Type:

TBPL proposes the Thunder Butte Pipeline Project (Project) to transport crude oil from the existing Thunder Butte Petroleum Services, Inc. (TBPS) Crude Storage and Loading Facility (TBPS Facility) within the Fort Berthold Indian Reservation (FBIR), approximately 2.6 miles northwest of Makoti, North Dakota, to the existing Enbridge Stanley Pump Station and Terminal (Enbridge Storage Facility) in Stanley, North Dakota. The Project is a joint venture between Gap Midstream, LLC (Gap) and the Mandan, Hidatsa, and Arikara Nation (MHA Nation) doing business as TBPS. The MHA Nation/Three Affiliated Tribes (TAT) owns the TBPS Facility, and Enbridge Pipelines North Dakota (EPND) owns the Enbridge Storage Facility.

The Project facilities are comprised of three primary components:

- Construction of a new 3.84-mile-long underground crude oil pipeline, a midline pump station, and one new access road,

- Conversion of an existing 30.8-mile-long crude oil collector (gathering) pipeline to a crude oil transmission pipeline, and
- Construction of a midline pump station on a 2-acre site adjacent to the existing pipeline.

The Project design will allow unilateral flow of crude oil from the existing TBPS Facility to the existing Enbridge Storage Facility (**Figure 1** in **Appendix A** of the Consolidated Application)).

2. Product to be Transmitted:

The Project will transmit light sweet Bakken crude oil.

3. Capacity and Design:

The proposed pipeline will be approximately 3.84 miles long. The existing pipeline is approximately 30.8 miles long.

The proposed pipeline will be comprised of a 6.625-inch OD carbon steel mainline pipeline with a nominal wall thickness of 0.188 inch. The pipe material will be API-5L CS X52. At the proposed railroad crossing, approximately 60 feet of 6.625-inch OD, 0.188-inch wall thickness, API 5L CS X52 carrier pipe will be installed using common jack and bore installation methods to avoid having to install casing pipe.

The existing pipeline comprises 6.625-inch OD pipe with a nominal wall thickness of 0.188 inch. The pipeline meets the API 5L specification, with PSL-2 and X-42 carrier pipe ratings, and a 0.250-inch wall thickness where the pipeline encounters railway or roadway crossings; natural drainages; ponds, sloughs, or other wetlands; and on each side of the existing two aboveground block valve stations.

The Project will provide a maximum flowrate of 24,000 barrels per day (bpd).

The maximum operating pressure for the proposed pipeline is 1,440 psi gauge (psig) throughout the Project. The new pipeline will be designed to operate at a maximum of 120°F.

The maximum allowable operation pressure for the existing pipeline is 1,400 psig at a maximum operating temperature of 100°F.

The existing pipeline was installed at depths varying between 4 and 8 feet below ground surface. Pipe welds on the existing pipeline were inspected by a qualified weld inspector according to industry standard practice using non-destructive methods.

4. Location of Proposed Facilities:

- The proposed pipeline will be located within the following portions of Ward and Mountrail Counties, North Dakota: Sections 2, 11, 14 of T152N, R88W (**Figure 1** in **Appendix A** of the Consolidated Application). Approximately 3 miles of the proposed pipeline will be within the Fort Berthold Indian Reservation, approximately 2.28 miles of which will be constructed abutting the existing Canadian Pacific Railway (CPR) right-of-way (ROW). During construction, several temporary access roads and temporary workspaces/laydown areas may be required.
- The existing pipeline is located within the following portions of Mountrail County, North Dakota (**Figure 1** in **Appendix A** of the Consolidated Application): Sections 2 and 3, T152N R88W, and Sections 36, 35, 26, 27, 22, 21, 16, 17, 8, and 7, T153N R88W, and Sections 12, 1, and 2, T153N R89W, and Sections 35, 34, 27, 28, 21, 20, 17, 8, 7, and 6, T154N R89W, and Sections 1 and 2, T154N R90W, and Sections 35, 26, 27, 22, 21, 20, 17, 18, 7, and 6, T155N R90W, and Sections 1 and 2, T155N R91W, and Sections 35, 26, and 27, T156N R91W.
- The proposed midline pump station will be located on 2 acres of land approximately 8 miles northwest of Plaza, North Dakota, in Section 1, Township 153 North, Range 88

West (**Figure 1** in **Appendix A** of the Consolidated Application). One permanent access road will be required, approximately 20-foot wide, 30-foot long.

5. Geographical Service Area

The geographic service area is the Williston Basin region of North Dakota. The Project will allow Bakken crude oil producers in North Dakota's Bakken production region, especially those on the FBIR, to access to major U.S. crude oil markets.

6. Time Schedule:

- December 2023 – Completion of ROW Acquisition.
- January 2024 – TBPL files Consolidated Application Certificate of Corridor Compatibility and Route Permit.
- February 19, 2024 – TBPL files 1st Amended Consolidated Application Certificate of Corridor Compatibility and Route Permit for revised location of midline pump station.
- June 2024 – TBPL files 2nd Amended Consolidated Application for revised location of midline pump station on 2 acres of land approximately 8 miles northwest of Plaza, North Dakota, in Section 1, Township 153 North, Range 88 West.
- October 2024 – TBPL files 3rd Amended Consolidated Application to include field survey reports for existing pipeline.
- December 2024 – Commission issues Certificate of Corridor Compatibility and Route Permit
- December 2024 or as soon as the Commission issues Certificate of Corridor Compatibility and Route Permit – TBPL Begins Construction on Pipeline
- January 2025 – Construction Complete
- January 2025 – Hydrostatic Testing
- February 2025– Operation Commences Commencing Operations

7. Future Plans:

TBPL filed its Ten-Year Plan for 2024 through 2034 with the Commission in January 2024. The proposed Project is consistent with TBPL's Ten-Year Plan. TBPL has no current plans to expand the crude oil transport pipeline system in the vicinity of the Project.

8. Purpose of and Need for the Facility:

The purpose of the Project is to provide infrastructure for transportation of crude oil from the TBPS Facility to the Enbridge Storage Facility in Stanley, North Dakota, where it will be safely and efficiently distributed to multiple third-party interconnecting pipelines in Stanley, North Dakota. The proposed Project will result in the conversion of an existing crude oil gathering pipeline to a crude oil transmission pipeline.

The Project will allow crude oil producers in North Dakota's Bakken production region, especially those on the Fort Berthold Indian Reservation, to access to major U.S. crude oil markets. The Project will also directly benefit Bakken crude oil producers by allowing for the efficient aggregation of volumes of crude oil from within Ward and Mountrail Counties and adjacent counties for shipment to major U.S. markets, thereby offering producers the potential for better netbacks.

9. Alternatives Considered:

- **No Action**

Under No Action, the proposed Project will not be constructed. Without the Project, a pipeline connection between the TBPS Facility and the existing pipeline, and then to other third-party pipelines, will not be established. The ultimate purpose to provide producers with access to major U.S. markets will not be fulfilled. For these reasons, No Action is not an alternative to the Project.

- **Other Pipelines**

No existing or planned pipeline projects provide a pipeline connection extending between the TBPS Facility near Plaza, North Dakota and the Enbridge Storage Facility in Stanley, North Dakota or between the TBPS Facility and the interconnection point with the existing pipeline near Plaza, North Dakota. As such, no other pipelines meet the purpose of and need for this Project.

- **Rail**

No rail facilities currently exist or are planned that will provide a means to transport crude oil between the TBPS Facility and the Enbridge Storage Facility or between the TBPS Facility and the interconnection point with the existing pipeline near Plaza, North Dakota. Given the lack of existing rail infrastructure between the proposed endpoints, construction of permanent, aboveground rail lateral service lines and ancillary facilities would be required. Such facilities would require permanent conversion of agricultural land to an industrial purpose. Thus, rail facilities would have greater permanent environmental, and landowner impacts than the Project. This alternative would also require participation of a third-party rail operator. This alternative was determined not feasible because of the associated environmental impacts and financial, logistic, and time constraints necessary to acquire land and construct the requisite rail infrastructure. For this reason, the rail transportation alternative was eliminated from consideration.

- **Trucking**

The TBPS Facility's Synthetic Minor New Source Review (SMNSR) air permit (SMNSR-TAT-000781-2021.002) was issued in June 2022. The 2022 permit requires the use of the project pipelines for crude loadout and does not allow crude to be trucked from the site; therefore, construction of the modifications to the existing TBPS Facility for a pipeline connection are required for operation of the existing TBPS Facility.

Under the current air permit for the TBPS Facility, transport of crude oil by truck is not a viable option because emissions would not comply with the permit limits. The trucking alternative was reviewed and eliminated because it does not meet the purpose of and need for the Project.

- **Route Alternatives**

TBPL dedicated a significant amount of work in review of route alternatives to identify the Preferred Route for the proposed pipeline. TBPL obtained and analyzed public and proprietary information to identify sensitive areas and features within the Corridor Study Area, such as exclusion and avoidance areas, populated areas, wetlands, waterbodies, natural resources, areas of cultural significance, and public lands. TBPL also considered ROWs (e.g., existing pipelines, railroads, and roads) to maximize collocation with other utilities.

Once an initial route was selected, TBPL sought input from potentially affected landowners, resource agencies, local governments, and owners of existing infrastructure regarding the proposed route, and the route was further refined based on input received. In addition, TBPL completed civil and environmental field surveys and additional constructability reviews to identify the Preferred Route.

The Preferred Route for the proposed pipeline was selected to minimize the effects of construction on environmentally sensitive areas and to collocate with existing roads, railroads, and pipelines in the area as much as possible from the TBPS Facility to the interconnection point of the existing pipeline near Plaza, North Dakota by using existing ROWs to the maximum extent feasible. Approximately 2.28 miles (59.4 percent) of the Preferred Route for the proposed pipeline is collocated with existing utility corridors. The Preferred Route meets the needs of the Project, complies with the Commission's siting criteria, minimizes impacts to landowners and the environment, and maximizes collocation with existing utility corridors.

There are no route alternatives for conversion of the existing gathering pipeline to a transmission pipeline. The Preferred Route is limited to the centerline of the existing pipeline as depicted on the maps in Appendix A. The Preferred Route for the existing pipeline is generally collocated with railroads and roads and traverses agricultural land including cultivated cropland.

10. Ten Year Plan:

TBPL filed its Ten-Year Plan for 2024 through 2034 with the Commission in January 2024. The proposed Project is consistent with TBPL's Ten-Year Plan.

11. Cost:

TBPL estimates that it will cost approximately 19.6 million to develop the Project. This cost includes the proposed new pipeline, conversion of the existing pipeline, and construction of the proposed midline pump station.

B. Waiver Request.

TBPL requests that the Commission grant the waivers requested because the waivers are necessary to prevent significant delays to the Project and potentially impact the profitability of the Pipeline. As explained above, the Project is needed to provide an additional outlet for crude oil and to provide crude oil to the TBPS Topping Plant. The Pipeline will provide a safe and economical means for gathering crude oil and transporting it. Without the waivers of time schedules and procedures requested, completion of the Project will be delayed and the Project will not be able to satisfy the immediate need to transport crude oil.

N.D.C.C. § 49.22-07.2 provides that this Commission may waive procedures and time schedules upon a finding that "the proposed facility is of such length, design, location, or purposes that it will produce minimal adverse effects". The investigation and analysis set

forth in TBPL's 3rd Amended Consolidated Application, granting the waivers request is appropriate because the proposed facility will produce minimal adverse effects due to its length, its design, and its location, and its purpose.

In determining whether the proposed facility will result in adverse impacts on the environment, TBPL evaluated the impacts of the Project considering the siting criteria set forth in N.D.A.C. § 69—06-08-02 and the factors set forth in N.D.C.C. § 49-22-09. Impacts associated with the Project, and mitigation measures that will be taken with respect to said impacts are summarized in Sections 16 through 20 of the Consolidated Application. Based upon TBPL's siting criteria evaluation, the proposed facility will have minimal adverse effects.

Accordingly, TBPL respectfully requests that the commission grant the requested waivers and render an expeditious decision.



Peter J. Breuer
OK Bar No. 31490
601 S. Washington St
#332
Stillwater, OK 74074
pbreuer@jf3law.com