



NEWS RELEASE
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PSC Approves Permits for Two Pipeline Projects in Western North Dakota

BISMARCK, ND – The North Dakota Public Service Commission (PSC) today approved siting permits for two pipeline projects in McKenzie County.

The first project, submitted by Hiland Crude, LLC, is an approximately 13-mile long crude oil pipeline in McKenzie County. The project will use a 12-inch diameter pipeline that will parallel and interconnect with Hiland's existing Market Center pipeline system, increasing the capability of the system by 65,000 barrels per day and potentially in the future by up to 100,000 barrels per day. The pipeline will be constructed entirely within the corridor for the Market Center pipeline, which was approved by the Commission in Oct. 2014.

The pipeline will transport crude oil from smaller crude gathering systems and truck facilities to existing rail and pipeline network destinations. The pipeline will enable the transportation of crude oil produced in northwestern North Dakota to multiple shipping points for sale outside of the state. Total cost of the project is estimated at \$10.5 million.

The second permit approved today is for a 4.4 mile, 6-inch diameter natural gas liquids (NGL) pipeline. The pipeline will transport NGL from the Hay Butte Gas Plant to the ONEOK Partners' Bakken NGL Pipeline. The pipeline, owned by Caliber Midstream Partners, L.P., is located in McKenzie County, approximately 7 miles southeast of Alexander, N.D. This pipeline has already been constructed, but is not operational. It was originally intended for use as a gathering line from well pads along the route, but is now being permitted for use as a transmission pipeline with a maximum capacity of 21,000 barrels per day. Pipelines classified as gathering lines do not need a siting permit from the Commission, but must be permitted when converted to a transmission line. Total cost to install the pipeline was \$1.8 million.

"The Public Service Commission is committed to responsible pipeline and infrastructure development in North Dakota," said Commission Chairman Julie Fedorchak. "Our process recognizes and protects the rights of landowners and citizens to safe energy development and effective, long-term reclamation while also providing a fair, responsive, timely permitting process that provides certainty to companies and allows this vital infrastructure to be responsibly developed. It is a transparent, open process that is at work every day to balance the interests of all involved."

Companies receiving siting permits from the PSC are responsible for reclamation and maintenance of the pipeline, associated facilities, and roadways for the life of the pipeline. They must restore areas affected by construction of the pipeline as close as possible to the condition it was in prior to construction, and must follow a number of reclamation requirements and other stipulations including, but not limited to, the following:

- Companies must provide landowners and the Commission with the name and contact information of the company representative responsible for receiving and resolving landowner issues for the life of the easement.
- Pipelines must be buried to a minimum of 48 inches.
- Topsoil must be stripped, preserved, and replaced after excavation is completed.
- Reclamation, fertilization, and reseeded must be done according to the Natural Resources Conservation Service recommendations, unless otherwise approved. Tree and shrub loss is mitigated on a two-for-one basis and a 75% survival rate three years after planting is required.
- Companies must repair or replace all fences, gates, and drainage tile removed or damaged during construction or operation of the pipeline.

The North Dakota Public Service Commission is a constitutionally created state agency with authority to permit, site and regulate certain business activities in the state including electric and gas utilities, telecommunications companies, power plants, electric transmission lines, pipelines, railroads, grain elevators, auctioneers, commercial weighing devices, pipeline safety and coal mine reclamation. For more information, contact the Public Service Commission at (701) 328-2400 or www.psc.nd.gov.

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