

March 20, 2018

Karlene Fine, Executive Director  
North Dakota Industrial Commission  
State Capitol 14<sup>th</sup> Floor  
600 East Boulevard Avenue, Department 405  
Bismarck, ND 58505-0840

Dear Ms. Fine:

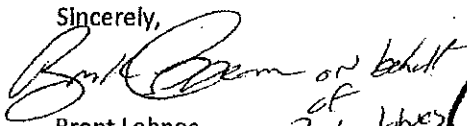
In response to one of Gov. Doug Burgum's "Energizing North Dakota" energy policy priorities, "Eliminate Pipeline Leaks," a consortium of pipeline operators intends to submit a proposal for funding consideration of a multiyear pipeline R&D program. This multimillion dollar program would focus on multiple demonstrations of new technologies that hold potential to help industry avoid leaks or provide for early detection of leaks from liquids gathering pipelines operated in the state. The program has potential to significantly improve the overall performance of North Dakota's vast fleet of liquids gathering pipelines. The program would start during the summer of 2018.

Because of this accelerated schedule, we respectfully request a special meeting of the North Dakota Oil & Gas Research Program (OGRP) as soon as logistically possible to consider possible recommendation for NDIC cost matching to support the summer 2018 demonstration activities. This consortium has written a draft proposal and is attempting to solidify initial industry membership and financial commitments during March 2018. Without state financial assistance, it is unlikely that the initial membership of this consortium would be able to fund the activities on their own this summer.


We recognize that OGRP maintains a regular proposal schedule and would not make this request unless we felt it necessary to facilitate an aggressive demonstration schedule. We feel this aggressive schedule reflects the importance that industry is assigning to conquering the challenge of reducing pipeline incidents in the state.

Thank you for your kind consideration of this request. We strongly believe that industry, landowners, and the state of North Dakota stand to benefit mutually from the immediate start of a program such as this.

Sincerely,

  
Brent Lohnes  
General Manager  
Hess Corp.

or behalf  
of  
Brent Lohnes

  
Tone Macia  
Manager, Engineering & Construction  
Oasis Midstream

  
Linda Pitman  
Regional Manager  
Statoil USA