

## DEPARTMENT OF STATE

[Public Notice 7291]

**Notice of Receipt of Application for a Presidential Permit To Construct, Operate and Maintain Pipeline Facilities on the Border of the United States**

Notice is hereby given that the Department of State has received an application to construct, operate and maintain pipeline facilities on the border of the United States from Vantage Pipeline US LP ("Applicant" or "Vantage"), a limited partnership duly organized under the laws of the State of Delaware. According to the application, Vantage's general partner is Vantage Pipeline US GP LLC, a Delaware limited liability company, and its limited partner is Mistral Energy US Inc., a subsidiary of Mistral Energy Inc., which is a private company based in Calgary, Alberta, Canada with over 25 years experience in the design, construction and operation of energy infrastructure projects in western Canada.

The application also states that Mistral Energy US Inc. intends to transfer its ownership position in Vantage prior to construction of the pipeline facilities to a yet to be formed limited partnership named Riverstone-Mistral US LP ("Riverstone-Mistral"). Riverstone-Mistral US LP will be a Delaware limited partnership located at: 712 Fifth Avenue, 19th Floor, New York, NY 10019. According to information submitted to the Department, the limited partners of Riverstone-Mistral US LP will be Mistral Energy US Inc, an affiliate of Mistral Energy, Inc., and Riverstone/Carlyle Fund IV, which is managed by Riverstone Holdings, LLC. The Department has also been advised that Riverstone Holdings, LLC, a Delaware entity owned by the two founders of Riverstone Holdings LLC, David Leuschen and Pierre Lepeyre, Jr, is an energy and power-focused private equity firm founded in 2000.

In a supplemental submission from the Vantage Pipeline's legal counsel, it was explained that Riverstone/Carlyle Fund IV LP is also a Delaware partnership based at the same address as Riverstone-Mistral US LP and that its General Partner is Riverstone/Carlyle Energy Partners IV, LP. The submission also explained that the Carlyle Group, a Washington DC-based asset management firm, holds an indirect minority interest (less than 20%) in Riverstone/Carlyle Energy Partners IV, LP and, through that ownership, has an indirect ownership interest in Riverstone/Carlyle Fund IV LP. Lastly,

the submission explains that Riverstone/Carlyle Fund IV LP is controlled by an investment committee, which is in turn controlled by Riverstone/Carlyle Energy Partners, LP, and that Riverstone Holdings LLC is the General Partner of Riverstone/Carlyle Energy Partners, LP and thus indirectly controls Riverstone/Carlyle Fund IV LP.

The applicant seeks a Presidential Permit authorizing the construction, operation, and maintenance of a 10–12 inch diameter liquid pipeline, known as the Vantage Pipeline, at the U.S.-Canada border near Fortuna, North Dakota. Vantage seeks authorization to construct, operate and maintain this cross-border pipeline between the northern-most valve in the United States and the U.S.-Canada border (*i.e.*, the border crossing facilities).

The planned Vantage Pipeline will be a high vapor pressure ("HVP") pipeline designed to transport liquid ethane from Hess Corporation's natural gas processing plant in Tioga, North Dakota to the Alberta Ethane Gathering System (AEGS) in Alberta, Canada, a distance of approximately 430 miles. Approximately 80 of those miles of pipeline will be located in the United States.

According to the application, the ethane transported in the Vantage Pipeline is a flammable liquid that is non-corrosive, odorless, and colorless. It has similar characteristics to natural gas, the fuel that is used in furnaces to heat homes. Ethane is currently used as a feedstock by the Alberta petrochemical industry and is ultimately converted to plastics, anti-freeze, rubber, detergents, solvents and like products.

The Applicant submits that the Vantage Pipeline will serve the national interest by providing the natural gas, oil and ethane-producing Bakken Formation region of North Dakota with access to the existing ethane AEGS infrastructure and market in Alberta. Currently no market exists for petrochemical grade (also known as "specification" or "pure grade") ethane in North Dakota; however, the construction of the Vantage Pipeline will make it feasible to extract the ethane byproduct from North Dakota-produced natural gas and export it for use in the Canadian petrochemical industry. The Applicant contends that the pipeline therefore will enhance exports from the United States, allow U.S. natural gas producers to recognize benefits from an existing resource from which they are not presently recognizing any financial benefit, and will contribute to the national economy in terms of job creation and tax payments.

As required by E.O. 13337, the Department of State is circulating this application to concerned federal agencies for comment. Consistent with Section 102(C) of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4332(C)) and implementing regulations promulgated by the Council on Environmental Quality (40 CFR Parts 1500–1508) and the Department of State (22 CFR Part 161), including in particular 22 CFR 161.7(c)(1), the Department of State intends to prepare an environmental assessment (EA) to evaluate the potential environmental effects of the proposed project and to determine whether to prepare an environmental impact statement. In that connection, the applicant states that it intends to provide the Department with an environmental report in the coming weeks in support of the application. The Department also intends to conduct consultations on possible impacts to traditional or cultural properties with interested Native American tribes consistent with Section 106 of the National Historical Preservation Act (NHPA).

The purpose of this Notice of Intent is to inform the public about the application and to solicit public comments.

**DATES:** Interested parties are invited to submit, in duplicate, comments relative to this application on or before [30 days from publication of this notice] to Alexander Yuan, OES/ENV, NEPA Compliance Officer, Room 2627, Office of Environment, Oceans and International Environmental Affairs, Department of State, Washington, DC 20520. Comments can also be e-mailed to [YuanAW@state.gov](mailto:YuanAW@state.gov). The application and related documents that are part of the record to be considered by the Department of State in connection with this application are available for inspection in the Office of International Energy and Commodities Policy during normal business hours.

**FOR FURTHER INFORMATION CONTACT:** Alex Yuan at (202) 647–4284; or by e-mail at [YuanAW@State.gov](mailto:YuanAW@State.gov) or Michael P. Stewart, Office of International Energy and Commodity Policy (EB/ESC/IEC/EPC), Department of State, Washington, DC 20520; or by telephone at (202) 647–1291; or by e-mail at [StewartMP@State.gov](mailto:StewartMP@State.gov).

Dated: January 5, 2011.

**Stephen J. Gallogly,**  
*Director, Office of International Energy and Commodity Policy, Department of State.*

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