

Fahn, Patrick J.

From: Kathleen Spilman, [kspilman@keitu.com]
Sent: Thursday, January 17, 2008 11:15 AM
To: Kutzer, Wayne L.; Olson, Carol K.; scott.hochhalter@ndsu.edu
Cc: Fahn, Patrick J.; 'John Morrison'; 'Brian Bjella'; 'Tad True'
Subject: Notice of Proposed Pipeline Reroute - Belle Fourche Pipeline, PU-07-596
Attachments: eCopy 11 Jan 08 BFPL Reroute Request FINAL.pdf

Importance: High

Our firm met with the Public Service Commission yesterday afternoon on behalf of our client Belle Fouché Pipeline. They are currently constructing a 8-inch underground pipeline to transport petroleum liquids including crude oil in western North Dakota - specifically in McKenzie County. The 32-mile long pipeline runs generally in a north to south direction and is located about a half mile west of US highway 85 or ND Highway 68 and parallels their existing 6-inch crude oil pipeline. We received all the necessary permits, from the PSC and various local, state and Federal agencies in early November 2007. Due to the urgency of providing additional crude oil transportation options in western North Dakota where crude oil production is actually increasing, Belle Fourche had crews on-site and the project under construction literally days after we received the necessary permits.

As crews got underway, field personnel have recommended two changes in the approved route. A formal request to the Public Service Commission was submitted and an electronic copy of that submission is attached. We had an informal meeting with the Commission and their staff late yesterday afternoon. Both proposed reroutes remain completely within the 1-mile wide field study corridor which was subject to detail environmental and archeological field surveys and record reviews. No objections by the Commissioner or their staff were raised to the new routes. However they were hesitant to approve the re-routes too quickly since under NDAC 69-06-01-05 state agencies must be given an opportunity to comment on any corridor or route permits for public utilities. Our efforts this am is strictly to satisfy their concerns that state agencies are allowed an opportunity to comment, even on minor reroutes. A similar notice was sent to your agency - but apparently to a different email address - a couple of days ago. We are reissuing this background information directly to your email account based on information we may have received from you or others at your agency.

As part of the original permitting process in September and October, your agency would have been notified that the PSC was considering issuing this underground pipeline permit. I am not aware of any concerns expressed by your agency during the original siting the corridor or route of this pipeline.

The PSC will hold up issuing the reroute approval if any state agency expresses any possible concern with this reroutes if contacted by 9:00 am tomorrow morning (Friday January 18). We are attempting to be proactive and are calling representatives from each of the 22 state agencies to see who is in the best position to make this determination. Price discounts for crude oil to the Gurnsey Wyoming verses the Clearbrook Minnesota pipeline hubs have been severe and as high as \$25 per barrel. The pipeline currently under construction will provide approximately 20,000 barrels per day of additional capacity into the system that runs into the higher value Clearbrook marketplace. Work crews will be placed on standby if we can not obtain approvals very quickly which could delay the project. Our hope is to have this capacity available to shippers by March 1.

I respectfully request your assistance to review the attached information as soon as possible. If you can conclude that the area of State operation for which your agency is responsible is not concerned with moving the underground crude oil pipeline to a new location within 1132 feet of its currently approved route, I would appreciate an email to that effect. Of however, a possible concern exist, please contact Patrick Fahn of the PSC staff at (701) 328-4077 or via email at pfahn@nd.gov or myself at (701) 667-1800 or via email at kspilman@keitu.com as soon as possible.

Kathleen M. Spilman, PE
Managing Director
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330 1ST STREET NW
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January 11, 2008

ND Public Service Commission
Attn: Mr. Patrick Fahn
600 East Boulevard – Dept. 408
Bismarck, ND 58505-0480

**Case No. PU-07-596 Belle Fourche Pipeline 8-inch Crude Oil Loop, McKenzie County
Pipeline Field Route Modification Request - Supplemental Information**

Per the January 10, 2008 request by your staff, we are submitting both enhanced and supplemental documentation supporting the January 8, 2008 request for two route modifications. Diagrams depicting the route changes superimposed over aerial photographs are enclosed.

Copies of land plats for the reroute areas prepared by a registered land surveyor with Interstate Engineering, Inc. are also included for your use.

(1) South Reroute – 21st Street

To improve both the constructability of the line (i.e. reduce the pipe bending and stress during installation) and increase the distance to the adjacent property line, we respectfully request the line be rerouted to the position denoted in red. The October 2007 re-route presented in pink had been submitted as a late exhibit at the public hearing. The white line represents the original proposed route in the permit application.

The new route remains within the field survey corridor included in the original submission. No new section lines, roads or water crossings are impacted. The distance between points of the current approved reroute (denoted in pink) and the proposed reroute (denoted in red) ranges between 0 and 212 feet.

No impacts to naturally occurring woody areas would occur. The same shelterbelt / tree rows are impacted by the project but at points approximately 50 feet away. Number of trees impacted by the project remains the same at both locations. The tree and shrub inventory submitted previously by Belle Fourche correctly identify the impacted locations. The existing shelterbelt impact would be of the same magnitude at slightly different locations.

A single rural residence exists within the width of the study corridor in this area of the project and is located over 1300 feet away from the proposed reroute and the October 2007 reroute each over twice the distance of statutory avoidance distance of 500 feet. No other rural residences were identified within a half mile of the proposed reroute. No other Avoidance Area features were identified in this area of the project.

No archaeological areas of potential exposure (APEs) are within the 1-mile wide field survey corridor therefore no impacts to cultural resources will occur by this proposed reroute.

The surveyor's information is presented on two sheets specific to Section 7 and Section 18 in Township 149N and Range 101W. You will note that land ownership changes as one moves north or south along the route; so a small lateral change (i.e. east or west) remains within the same land ownership.

(2) North Reroute – West of the City of Alexander

A more significant route is proposed is being initiated at the request of the landowner. The proposed January 2008 North Reroute (denoted in red) begins exactly as the currently approved October 07 reroute (denoted in pink) until it reaches the first corner of an adjacent land parcel. Rather than turn north to cross Lonesome Creek at a relatively wide marshy point, the proposed January 08 reroute continues straight to the north northwest crossing the creek at a narrower point, continuing under the County Road 20 / 29th Street until passing beneath a former railroad rail bed. The proposed route curves back to the north northeast and turns north to parallel but remaining outside the west city limits of Alexander. The route finishes by continuing in a northern direction, paralleling but not impacting a tree row northwest of the city and finally finishing on two diagonal segments to the northeast to rejoin the original pipeline route.

In addition to being more desirable by the landowner, this proposed reroute minimizes potential surface and stormwater impacts by avoiding a marshy area of the water crossing, moves the pipeline further away from an occupied dwelling, avoids routing through a municipal area as well as the landowner's stock pond and feed lot. You may recall from the permit application that a landowner expressed concern over possible impacts to a natural spring on his property feeding his stock pond. This route change moves the pipeline further away from this area, further reducing probable impacts. Finally, this proposed reroute moves the pipeline location even farther away from the municipal drinking wells of the City of Alexander.

This North Reroute also remains completely within the field survey corridor included in the original submission. No new section lines or roads are impacted and a smaller impact to the Lonesome Creek water crossing is expected. No naturally occurring woody areas nor even shelterbelt / tree rows and/or shrub areas are impacted by this reroute.

Four rural residences exist within the width of the study corridor in this area of the project. Two are impacted by the proposed reroute, and in both cases the reroute will move the pipeline further away from the residences. The pipeline would also be located further away from the residential areas within the developed areas of the City of Alexander if this reroute is approved. No other rural residences were identified within a half mile of the proposed reroute.

The North Reroute shows the location of the two municipal water wells listed for the City of Alexander. The proposed reroute moves the pipeline further away from both well locations. No other Avoidance Area features were identified in this area of the project.

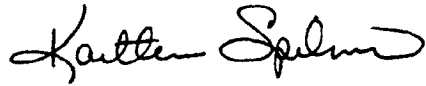
A total of six (6) archaeological areas of potential exposure (APEs) are within the 1-mile wide field survey corridor: 32MZ1560 US Highway 85; 32MZ1561 Electrical Transmission Line; and 32MZ155, 32MZ484, 32MZx326 and 32MZx1031 which are all abandoned structures. In all six cases, the proposed reroute moves the pipeline location further way from the APEs.

The surveyor's information is presented on two sheets specific to Section 6 and Section 31 in Township 150N and Range 101W. Again land ownership changes as one moves north or south along the route; so a small lateral change (i.e. east or west) remains within the same land ownership.

The proposed North Reroute crosses the property of the same three landowners as the current approved route: Charles and Ethyl Aasen, Marie Braaten, and the Tim Dwyer Farm Trust. This North Reroute is being initiated at the request of Marie Braaten and the Aasens and the Dwyer Trust have agreed to this request. The location of this North Reroute is within boundaries of the existing easement obtained previously from these landowners for this project.

We believe the information satisfies the requirements outlined to me during our telephone conversation on January 10, 2008.

Any efforts to expedite approval of these changes would be extremely appreciated.

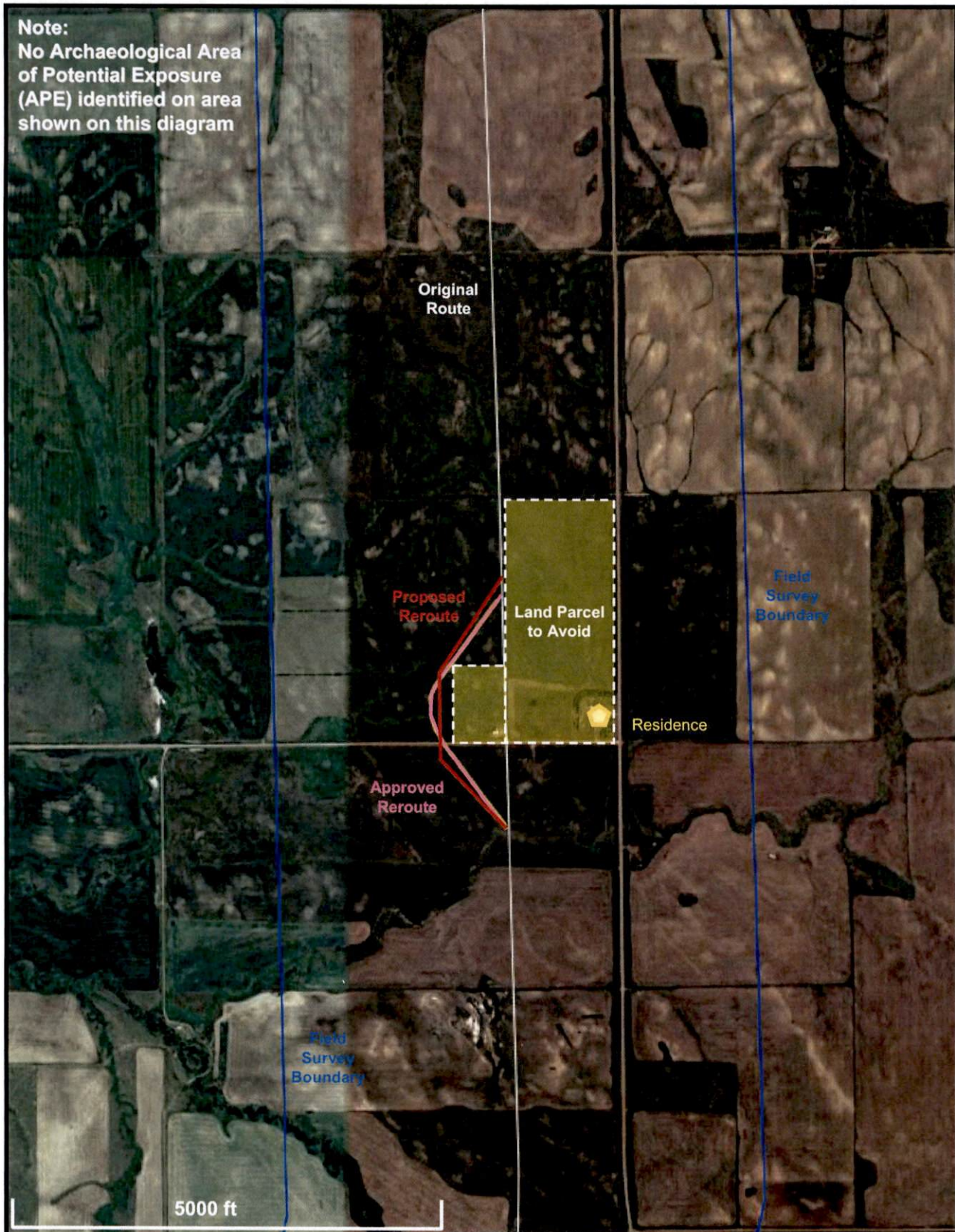
A handwritten signature in black ink, appearing to read "Kathleen Spilman". The signature is fluid and cursive, with the first name "Kathleen" written in a larger, more prominent script than the last name "Spilman".

Kathleen M. Spilman, PE
Managing Director

Enclosures (6)

cc: Bob Dundas, Belle Fourche Pipeline, w/ enclosures
John Morrison, Fleck, Mather, & Strutz PC, w/ enclosures

Note:
No Archaeological Area
of Potential Exposure
(APE) identified on area
shown on this diagram



KEITU

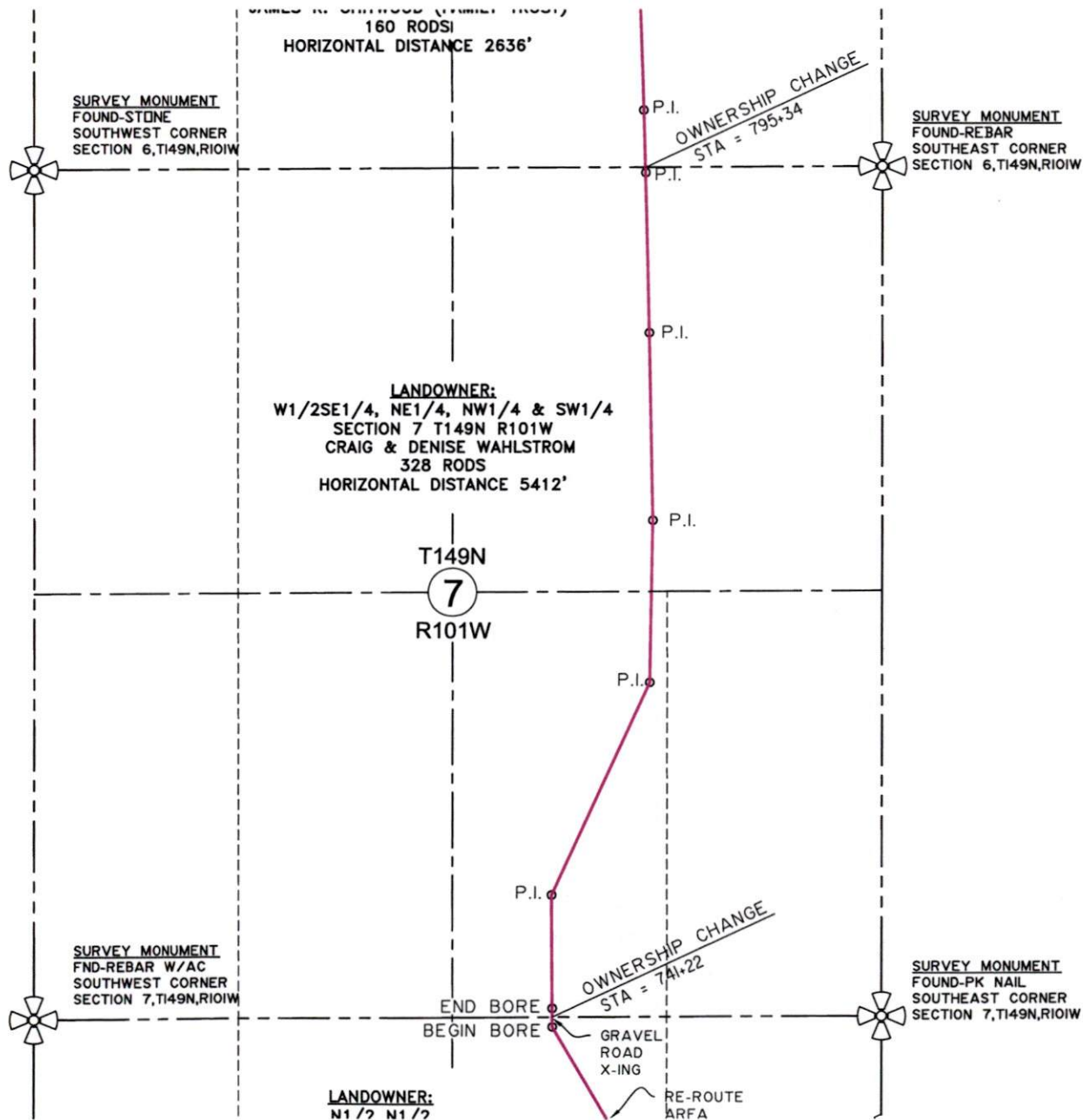
ENGINEERS & CONSULTANTS, INC.

330 1st St NW Mandan ND 58554-0098
701-667-1800 fax 701-667-1802

South Reroute – 21st Street

Belle Fourche Pipeline
8-inch Crude Oil Pipeline Project
ND PSC Case No. PU-07-596
January 2008 - Revised

EXHIBIT DRAWING
8" ALEX LINE-BELLE FOURCHE
SECTION 7, T149N, R101W
McKENZIE COUNTY, NORTH DAKOTA



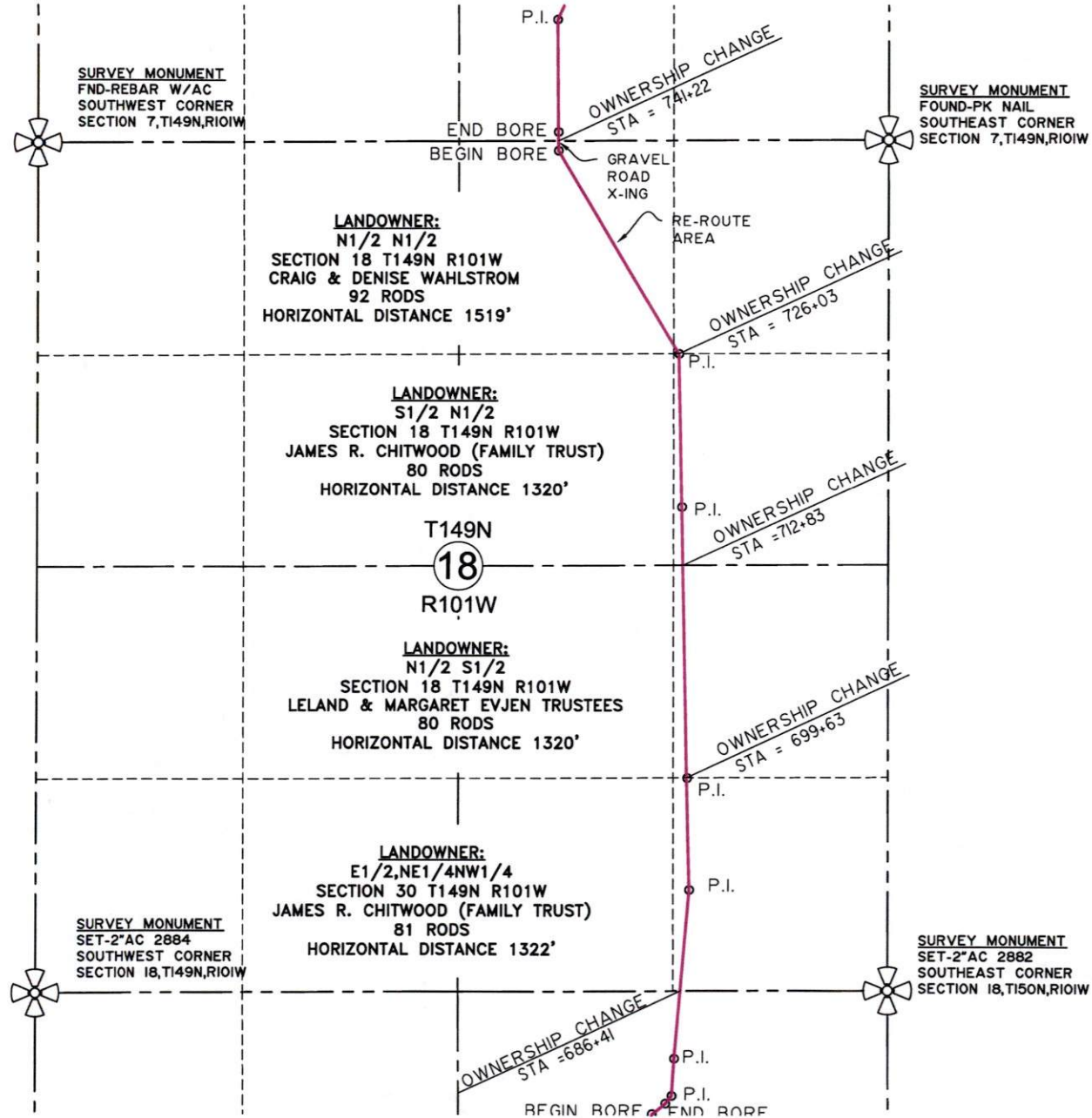
SCALE: 1"=1000'

Revision No.	Date	By	Description

PROPOSED PIPELINE ROUTE
 8" ALEX LINE BELLE FOURCHE
 MCKENZIE CO., NORTH DAKOTA
 Drawn By: D.R.S. Project No: S07-9-183
 Checked By: DRS/RLP Date: JAN_08

Interstate engineering, inc.
 Engineering - Surveying - Planning
 P.O. BOX 648 SIDNEY, MT. Ph. 406-482-5617 Fax. 406-482-5618
 www.ieingi.com

EXHIBIT DRAWING
8" ALEX LINE-BELLE FOURCHE
SECTION 18, T149N, R101W
McKENZIE COUNTY, NORTH DAKOTA



SCALE: 1"=1000'

Revision No.	Date	By	Description

PROPOSED PIPELINE ROUTE
 8" ALEX LINE BELLE FOURCHE
 MCKENZIE CO., NORTH DAKOTA
 Drawn By: D.R.S. Project No: S07-9-1B3
 Checked by: DRS/RLP Date: JAN..08

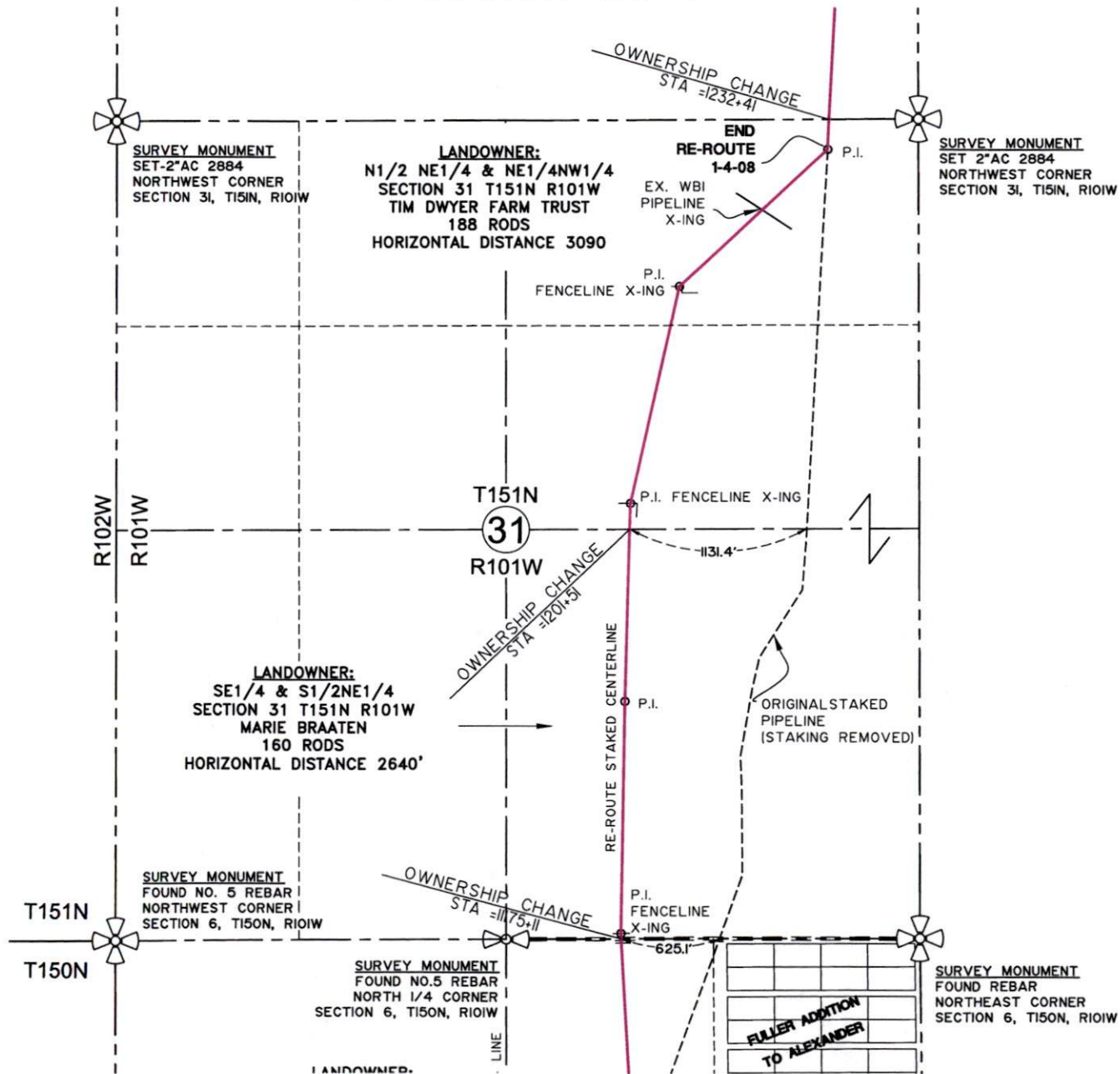
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North Reroute – West of Alexander
 Belle Fourche Pipeline
 8-inch Crude Oil Pipeline Project
 ND PSC Case No. PU-07-596
 January 2008 - Revised

EXHIBIT DRAWING
8" ALEX LINE-BELLE FOURCHE
SECTION 31, T151N, R101W
McKENZIE COUNTY, NORTH DAKOTA



SCALE: 1"=1000'

Revision No.	Date	By	Description

PROPOSED PIPELINE ROUTE
 8" ALEX LINE BELLE FOURCHE
 MCKENZIE CO., NORTH DAKOTA
 Drawn By: D.R.S. Project No: S07-9-183
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