

December 20, 2010

**HAND-DELIVERED**

Mr. Darrell Nitschke  
Executive Secretary  
North Dakota Public Service Commission  
600 E. Boulevard, Dept. 408  
Bismarck, ND 58505-0480

**RE: HILAND OPERATING, LLC  
8-INCH NATURAL GAS MAIN AND  
LATERAL PIPELINE – MCKENZIE  
COUNTY  
CASE NUMBER PU-10-555**

Dear Mr. Nitschke:

Please find enclosed herewith for filing an original and ten copies of the following documents in connection with the above-referenced matter:

1. Late Filed Exhibit 5;
2. Late Filed Exhibit 6; and
3. Proposed Findings of Fact, Conclusions of Law and Order issuing Certificate of Corridor Compatibility and Route Permit.

Also enclosed herewith is a disk containing the same in PDF format. Should you have any questions, please advise.

Sincerely,



MOLLIE M. SMITH

MS/mms  
Enclosures

cc: Patrick Fahn (w/ encl. – *hand-delivered*)  
Mark Gruman (w/ encl. – *hand-delivered*)  
Kent Christopherson (w/ encl. – *via e-mail*)  
Michael Higgins (w/ encl. – *via e-mail*)  
Kathleen Spilman (w/ encl. – *via e-mail*)

4850138\_1.DOC

Attorneys & Advisors  
main 701.22 31  
fax 701.22  
www.fredrikson.com  
Fredrikson & Byron, P.A.  
PU-10-555 Filed: 12/20/2010 Pages: 13  
Late Filed Exhibit 5



November 10, 2010

**RECEIVED**

Public Service Commission  
600 East Boulevard Ave., Dept. 408  
Bismarck, ND 58505-0480

NOV 15 2010

**PUBLIC SERVICE COMMISSION**

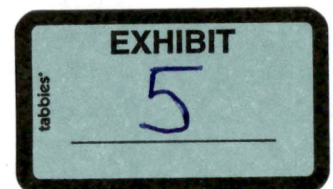
Re: Case No. PU-10-555, Hiland Operating LLC  
8-inch Natural Gas Main & Lateral Pipeline, McKenzie County

Dear Commissioners:

This department has reviewed the information concerning the above-referenced project submitted under date of November 4, 2010, with respect to possible environmental impacts.

This department believes that environmental impacts from the proposed construction will be minor and can be controlled by proper construction methods. With respect to construction, we have the following comments:

1. All necessary measures must be taken to minimize fugitive dust emissions created during construction activities. Any complaints that may arise are to be dealt with in an efficient and effective manner.
2. Care is to be taken during construction activity near any water of the state to minimize adverse effects on a water body. This includes minimal disturbance of stream beds and banks to prevent excess siltation, and the replacement and revegetation of any disturbed area as soon as possible after work has been completed. Caution must also be taken to prevent spills of oil and grease that may reach the receiving water from equipment maintenance, and/or the handling of fuels on the site. Guidelines for minimizing degradation to waterways during construction are attached.
3. Oil and gas related projects disturbing five or more acres are required to have a permit to discharge storm water runoff until the site is stabilized by the reestablishment of vegetation or other permanent cover. Further information on the storm water permit may be obtained from the Department's website or by calling the Division of Water Quality (701-328-5210). Also, cities may impose additional requirements and/or specific best management practices for construction affecting their storm drainage system. Check with the local officials to be sure any local storm water management considerations are addressed.
4. Noise from construction activities may have adverse effects on persons who live near the construction area. Noise levels can be minimized by ensuring that construction equipment is equipped with a recommended muffler in good working order. Noise effects can also be



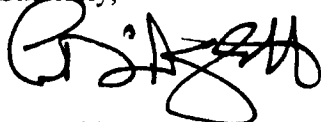
minimized by ensuring that construction activities are not conducted during early morning or late evening hours.

The department owns no land in or adjacent to the proposed improvements, nor does it have any projects scheduled in the area. In addition, we believe the proposed activities are consistent with the State Implementation Plan for the Control of Air Pollution for the State of North Dakota.

These comments are based on the information provided about the project in the above-referenced submittal. The U.S. Army Corps of Engineers may require a water quality certification from this department for the project if the project is subject to their Section 404 permitting process. Any additional information which may be required by the U.S. Army Corps of Engineers under the process will be considered by this department in our determination regarding the issuance of such a certification.

If you have any questions regarding our comments, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "L. David Glatt". The signature is stylized and somewhat cursive.

L. David Glatt, P.E., Chief  
Environmental Health Section

LDG:cc  
Attach.



## Construction and Environmental Disturbance Requirements

These represent the minimum requirements of the North Dakota Department of Health. They ensure that minimal environmental degradation occurs as a result of construction or related work which has the potential to affect the waters of the State of North Dakota. All projects will be designed and implemented to restrict the losses or disturbances of soil, vegetative cover, and pollutants (chemical or biological) from a site.

### **Soils**

Prevent the erosion of exposed soil surfaces and trapping sediments being transported. Examples include, but are not restricted to, sediment dams or berms, diversion dikes, hay bales as erosion checks, riprap, mesh or burlap blankets to hold soil during construction, and immediately establishing vegetative cover on disturbed areas after construction is completed. Fragile and sensitive areas such as wetlands, riparian zones, delicate flora, or land resources will be protected against compaction, vegetation loss, and unnecessary damage.

### **Surface Waters**

All construction which directly or indirectly impacts aquatic systems will be managed to minimize impacts. All attempts will be made to prevent the contamination of water at construction sites from fuel spillage, lubricants, and chemicals, by following safe storage and handling procedures. Stream bank and stream bed disturbances will be controlled to minimize and/or prevent silt movement, nutrient upsurges, plant dislocation, and any physical, chemical, or biological disruption. The use of pesticides or herbicides in or near these systems is forbidden without approval from this Department.

### **Fill Material**

Any fill material placed below the high water mark must be free of top soils, decomposable materials, and persistent synthetic organic compounds (in toxic concentrations). This includes, but is not limited to, asphalt, tires, treated lumber, and construction debris. The Department may require testing of fill materials. All temporary fills must be removed. Debris and solid wastes will be removed from the site and the impacted areas restored as nearly as possible to the original condition.



2610 OLD RED TRAIL STE. C  
MANDAN, ND 58554-1447  
701-667-1800

November 11, 2010

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NOV 16 2010

**PUBLIC SERVICE COMMISSION**

Mike Higgins  
Director Project Management  
Hiland Partners, LP  
PO Box 5103  
Enid, OK 73702

**RE: Cultural Resource Inventory – Hiland Operating, LLC – Natural Gas Line  
PU-10-555**

Enclosed are 2 hard copies of the Class III Cultural Resource Inventory in McKenzie County for Hiland Operating, LLC for your files. As noted below a copy is also being sent to the ND PSC staff.

As always, Keitu appreciates the opportunity to assist our client and the regulatory agencies with resolving compliance issues. I will serve as the primary Keitu contact and can be reached at (701) 667-1800 or via email at [kspilman@keitu.com](mailto:kspilman@keitu.com).

Kathleen Spilman  
Managing Director

*CC: Patrick Fahn -- Public Service Commission  
Keitu Engineers*

17 **PU-10-555** Filed: 11/16/2010 Pages: 8  
**Class III Cultural Resource Inventory**

# Highland Partners 8 Inch Natural Gas Pipeline:

A Class III Cultural Resource Inventory in McKenzie County, North  
Dakota

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NDSHPO Reference #: 10-2081

Prepared for: Hiland Operating, LLC.  
Enid, Oklahoma

Prepared by: Wade Burns and Gwen Jakel



Beaver Creek Archaeology, Inc.  
Mandan, North Dakota

October, 2010

## Manuscript Date Record Form

1. Manuscript Number:
2. SHPO Reference #:
3. Author(s) (List all authors names as they appear on the report title page): **Wade Burns and Gwen Jakel**
4. Title (Complete title as it appears on the report title page): **Highland Partners 8 Inch Natural Gas Pipeline: A Class III Cultural Resource Inventory in McKenzie County, North Dakota.**
5. Report Date (As is appears on the report title page): **October, 2010**
6. Number of Pages (Including front matter, references cited and appendices): **6**
7. Type – I = Inventory (Class 3 CRI), T – Test, E= Excavation, O = Other: **Type I**
8. Acres – Class 3 inventory only; project description specified only in report: **155**
9. Legal Location(s) (no quarter sections) with Historic Context Study Unit(s): Consult township tables in The North Dakota Comprehensive Plan for Historic Preservation: Archaeological Component, (SHSND 1990) for Study Unit Assignments. Study Units: LM, CB, KN, HE, SM, GA, JA, GR, NR, SR, SO, SH, YE

COUNTY	TWP	R	SEC	SU
McKenzie	151	103	1, 2, 3 & 4	YE
	151	102	6	

**Inventory Report**

Submitted by Beaver Creek Archaeology, Inc.  
301 1<sup>st</sup> Street NE Suite 201 Mandan, North Dakota 58554  
Phone: (701) 663-5589; e-mail: [info@bcarch.org](mailto:info@bcarch.org)

**Report Title:** Highland Partners 8 Inch Natural Gas Pipeline: A Class III Cultural Resource Inventory in McKenzie County, North Dakota.

**NDSHPO Reference #:** 10-2081

**Author:** Wade Burns and Gwen Jakel

**Report Date:** October, 2010

**Acreage:** 155

**Land Status:** Private Land

**Survey Date:** September 9, 10 and 29, 2010

**Project Sponsor:** Hiland Operating, L.L.C.

**Historic Context:** Yellowstone River Study Unit (#13)

**Legal Description/Location of Project Area:** The proposed project is located in Sections 1, 2, 3, and 4 in T151N R103W, and in Section 6, T151N R102W, McKenzie County, North Dakota as depicted on the Buford and Cartwright NE USGS 7.5' quadrangle maps. The proposed project is located on private property.

**Description of Proposed Project:** The proposed project consists of the construction of an 8 inch Natural Gas Pipeline for Hiland Operating, LLC.. The Area of Potential Effect (APE) consists of a 250ft wide, 5.1 mile long pipeline (155 acres). Beaver Creek Archaeology inventoried a total of 155 acres for cultural resources.

**Result of File Search:** Gwen Jakel conducted a literature search at the North Dakota State Historic Preservation Office (NDSHPO) on August 30, 2010. The search revealed two sites, three isolated finds within a one mile radius and eight manuscripts on file within Section(s) 1, 2, 3, 4 and 6 of the APE (see tables).

### Inventory Report

Submitted by Beaver Creek Archaeology, Inc.  
301 1<sup>st</sup> Street NE Suite 201 Mandan, North Dakota 58554  
Phone: (701) 663-5589; e-mail: [info@bcarch.org](mailto:info@bcarch.org)

**Table 1:** Manuscripts on File at the Archaeology and Historic Preservation Division, State Historical Society of North Dakota in or near the APE.

Year	MS #	Author	Location			Title
			Twp	R	S	
2005	9466	D. Klinner	151	103	4	Cabin Creek to Williston Pipeline Replacement: a Class III Cultural Resource Inventory, McKenzie County, ND
1983	3455	M. Root, et al	151	103	3, 4	Archaeology of the Northern Border Pipeline, North Dakota: Vol. 2, Pts. 103 Survey and Background Information, McIntosh, Emmons, Morton, Stark, Mercer, Dunn, McKenzie & Williams Counties, ND
2005	9286	D. Klinner	151	103	4	Fort Bufford Compressor Station and Pipe Storage Area for the Cabin Creek to Williston Pipeline Replacement Project: A Class III Cultural Resource Inventory, McKenzie County, ND
1991	5628	B. Olson	151	103	4	Koch Industries, Inc. AFE 39999 10-inch Natural Gas Pipeline; Northern Border Connection Pipeline Reroute Cultural resources Inventory McKenzie County, ND
1991	5556	B. Olson	151	103	4	Cultural resource Inventory of the Proposed McKenzie Gas Plant to Fort Bufford Compressor Station Northern Border Connection Pipeline McKenzie County, ND
1984	3766	M. Metcalf	151	103	3, 4	Pipeline Survey for Energy Resource Transportation, Getty Oil Company's WESCO Pipeline, McKenzie County, ND
1982	2706	K. Keim, et al	151	103	4	The Class III Cultural resource Inventory for the Proposed MDU Fort Buford Compressor Station, McKenzie County, ND
1978	299	L. Loendorf	151	103	2	Preliminary Report on the Archaeological Investigations of 110 Site Locations, Little Missouri Grasslands, Custer National Forest, Western North Dakota

**Table 2:** Summary Information on Archaeological Sites Recorded near the APE.

SITS #	Location			Affiliation	Description	Recorder	NRHP Status
	Twp	R	S				
32MZ559	152	103	32	Late Prehistoric	CM Scatter, Faunal Remains, Fire Cracked Rock, Projectile Point, Chipped Stone, Ground Stone	M. Volk	Unevaluated
32MZx997	152	103	34	Unknown	Isolated Find, Chipped Stone	S. Heiner, et al	Ineligible
32MZx998	152	103	34	Historical	Isolated Find, Glass	S. Heiner, et al	Ineligible

### Inventory Report

Submitted by Beaver Creek Archaeology, Inc.  
301 1<sup>st</sup> Street NE Suite 201 Mandan, North Dakota 58554  
Phone: (701) 663-5589; e-mail: [info@bcarch.org](mailto:info@bcarch.org)

SITS #	Location			Affiliation	Description	Recorder	NRHP Status
	Twp	R	S				
32MZ546	151	103	3	Historical	Architectural	Unknown	Unevaluated
32MZx994	151	103	4	Unknown	Isolated Find, Chipped Stone	D. Klinner	Ineligible

**Field Personnel:** Wade Burns (PI) and Tom Messerli, Paula Pflapsen, Staff Archaeologists.

**Field Methods:** The proposed project area was inventoried on September 9, 10 and 29, 2010 by Beaver Creek Archaeology. Weather conditions were fair with overcast skies and approximately 50 °F. The proposed pipeline was inventoried by the archaeologist(s) walking parallel pedestrian transects 20 meters apart to cover the 5.1 mile long, 250ft wide corridor (155 acres). During the survey, field notes and overview pictures were taken.

The APE is located within the Yellowstone River Study Unit (#13) as found in the *North Dakota Comprehensive Plan for Historic Preservation: Archaeological Component*. The proposed pipeline is located within plowed agricultural fields and range land. Vegetation in the area consists of native and non-native grasses, plants and forbes in the unplowed portions and various harvested crops in the plowed portions. Ground Surface Visibility (GSV) ranged between 40-80 % on average. Areas of higher visibility, such as erosion features, areas of sparse vegetation and rodent burrows were closely examined for cultural material.

**Results and Recommendations:** The investigation of the APE revealed one new cultural resource. Isolated Find 32MZx1102 consists of a single Knife River Flint (KRF) scraper. The isolated find is not eligible for the National Register of Historic Places (NRHP), so no avoidance is necessary. All previously recorded sites are situated well away from the project area and will not be impacted. Consequently, *No Significant Historic Properties Affected* is recommended and therefore, no further archaeological investigation is needed for the APE as mapped, photographed and described herein.



**Figure 1:** Overview of the APE. View to the East.



**Figure 2:** Overview of the APE. View to the West.

32MZx998

32MZx997

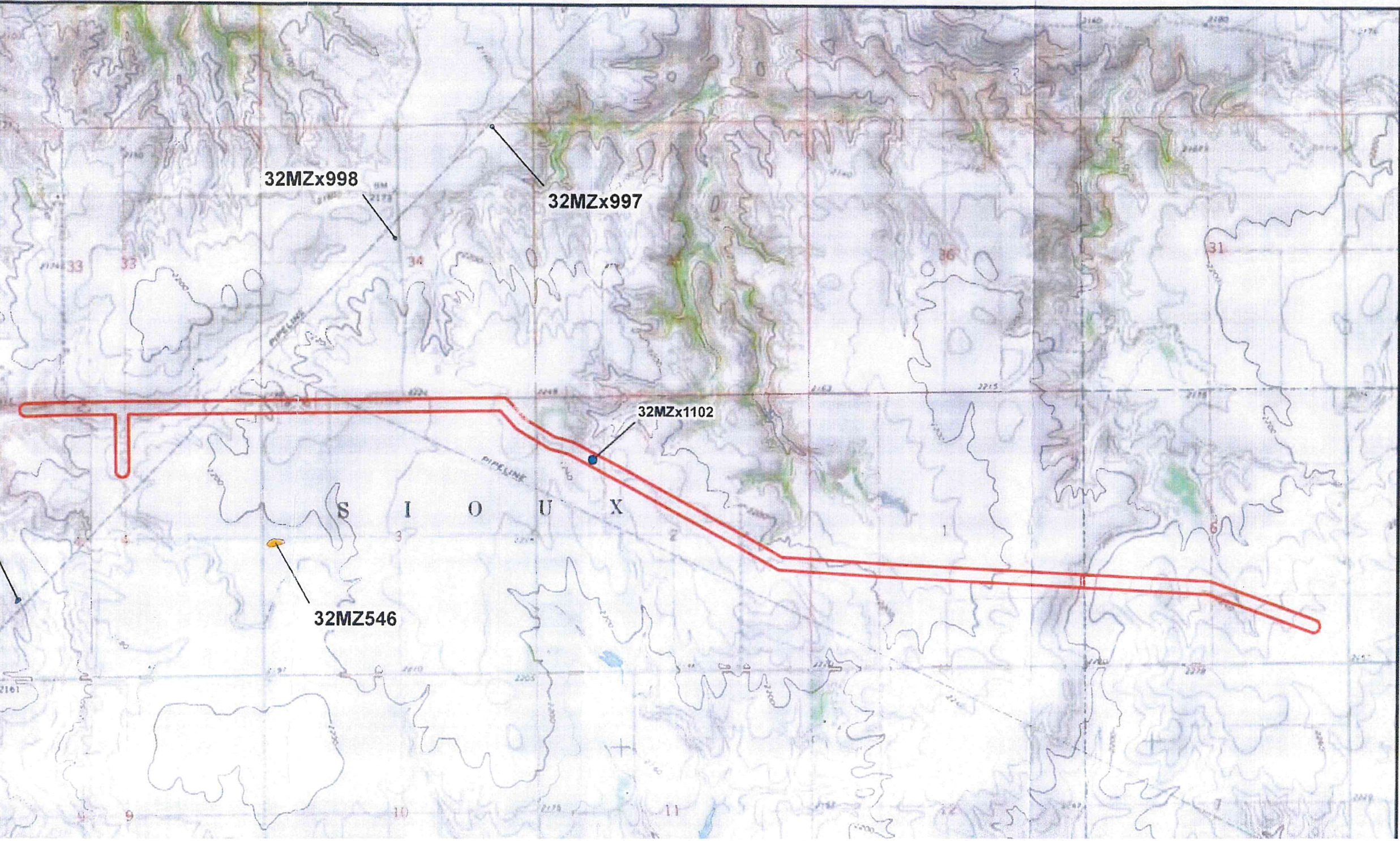
32MZx1102

32MZ546

S I O U X

PIPELINE

PIPELINE





**STATE  
HISTORICAL  
SOCIETY  
OF NORTH DAKOTA**

John Hoeven  
Governor of North  
Dakota

**North Dakota  
State Historical Board**

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December 2, 2010

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DEC 03 2010

**PUBLIC SERVICE COMMISSION**

Mr. Patrick Fahn  
Public Service Commission  
600 East Boulevard Avenue, Department 408  
Bismarck, North Dakota 58505-0480

NDSHPO REF.: 11-0314 PSC Highland Operating, LLC, Gas Plant  
Class III Cultural Resources Inventory  
[T151N R102W Section 6, SE1/4-SE1/4, McKenzie County]

Dear Pat:

We have received and reviewed project report for: 11-0314 PSC Highland Operating, LLC, Gas Plant, Class III Cultural Resources Inventory, [T151N R102W Section 6, SE1/4-SE1/4, McKenzie County], and find it acceptable.

We concur with *"No Historic Properties Affected"* and *"No Significant Sites Affected"* determinations provided that the project is of the nature stated and it takes place in the plotted project location.

Report: "Highland Partners 40 Acre Survey: A Class III Cultural Resources Inventory in McKenzie County, North Dakota," by Wade Burns and Gwen Jakel (Beaver Creek Archaeology, November 2010).

We also are inquiring if this due diligence report is related to any of the following three PSC cases:

PU-10-553	4-Inch Natural Gas Pipeline	Hiland Operating, LLC
PU-10-554	6-Inch Natural Gas Pipeline	Hiland Operating, LLC
PU-10-555	8-Inch Natural Gas Pipeline	Hiland Operating, LLC

If you have questions please contact either Paul Picha at [ppicha@nd.gov](mailto:ppicha@nd.gov) or (701) 328-3574 or Susan Quinnell at [squinnell@nd.gov](mailto:squinnell@nd.gov) or (701) 328-3576.

**20 PU-10-555** Filed: 12/3/2010 Pages: 1  
**Letter concurrence - No historic properties affected and no significant sites affected**

State Historical Society of North Dakota

Merlan Paaverud, Jr

Sincerely,

Merlan E. Paaverud, Jr.

State Historic Preservation Officer (North Dakota)

and

Director, State Historical Society of North Dakota