

Bear Paw's response to North Dakota Public Service Commission Staff on guidance from Chapter 49-22-09 on the evaluation of applications and designation of sites, corridors and routes.

49-22-09.02

The effects of new energy conversion and transmission technologies and systems designed to minimize adverse environmental effects.

This factor is addressed by using electric driven compression to move gas through the gas plant and into the Williston Basin Interstate pipeline. Future engine emission requirements may tighten and by installing electric compression, Bear Paw mitigates the need for future compressor engine emissions controls and compressor engine testing. Electric driven compression does not emit nitrogen oxides or carbon monoxide.

An intermediate waste water vessel has been installed to remove the majority of entrained natural gas in the water prior to moving it to the atmospheric waste water tanks. This minimal amount of entrained gas will be used as additional gas for purging of the flare system. This greatly reduces the amount of greenhouse gases vented from the atmospheric storage tanks.

49-22-09.03

The potential for beneficial uses of waste energy from a proposed energy conversion facility.

This facility does have one waste energy recovery opportunity where the pressure of the inlet gas is lowered before entering the stabilizer column. To do this, Bear Paw has chosen to use a turbo-expander unit. The turbo-expander is a single aluminum-milled shaft with a gas turbines both ends. As gas reduces in pressure (or expands) to enter the stabilizer, it turns the shaft at several thousand revolutions per minute (RPM). The turbine on the other end of the shaft uses these RPMs to compress low pressure gas to a higher pressure so that it can enter a residue gas stream that it is further compressed and sent to the WBI pipeline.

49-22-09.06

Irreversible and irretrievable commitments of natural resources should the proposed site, corridor, or route be designated.

The Plant site was not found to occupy Prime or Unique Farmland in published sources nor was there any Prime or Unique Farmland in the Plant Study area. While the land for the Plant site will be removed from agricultural production, there are several reasons to approve the siting. The Plant's location and design are to generate favorable economies of scale for gas processing in the most minimally intrusive and most efficient way possible, in terms of new infrastructure development. Installing a single large facility in the area reduces environmental impacts as multiple smaller facilities would collectively occupy

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more land area, operate more flares and generate more truck traffic on main transportation corridors. The Plant will generate approximately 25 jobs in the area for plant operations, gathering system operations and facility management. The Plant is processing associated gas from local oil well production. Currently, this associated gas would be sent to the Grasslands facility over 50 miles away for stabilization and, possibly, fractionation. The Grasslands facility is at full capacity and lacks the land area necessary to increase capacity another 100 MMcfd.

Constructing the Plant near Watford City would allow this gas to be processed closer to the wellheads and to natural gas transportation lines to ship the residue gas to market. The Plant site was chosen to take advantage of the site's proximity to existing electrical supply and existing gathering system for its location. The Plant will use an existing gathering line system to deliver raw feed stock to the Plant from the gathering fields and generate new delivery points for processed natural gas and field grade natural gas liquids. The Plant location is to be used as a central maintenance hub for Bear Paw's operations in the area.

49-22-09.08

Existing plans of the state, local government and private entities for other developments at or in the vicinity of the proposed site, corridor, or route.

While Bear Paw did not engage with a Citizen Coordinating Committee, it does maintain a good relationship with local residents through its present operations of gathering systems in the area. Bear Paw representatives spoke with Gene Veeder with the McKenzie County Economic Development Council about temporary and long term housing opportunities housing and economic impacts. Mr. Veeder also spoke of our recent press release and the positive feedback from members of county government and local developers and the long term employment opportunities this project will bring to the region. There is one future housing development just to the north of the Watford City boundary. No other future developments were mentioned in our discussions with Mr. Veeder. This housing development is 5 to 6 miles from the Plant site and should not be negatively impacted.

Bear Paw representatives also spoke with Mike Greer, the McKenzie County highway engineer, to discuss potential conflicts on highway loads going to the Plant site. Mr. Greer discussed project transportation needs with the McKenzie County commissioners. All parties were in favor of the project and the McKenzie County commission has been willing to assist Bear Paw in routing issues dealing with heavy loads going to the Plant site.

Bear Paw representatives also had prolonged discussions with the previous land owner as to the sale of the property. The previous land owner is a lifelong farmer in the region and was very reflective on the decision to sell. He involved members of his immediate family and was thoughtful of the impact on future farming operations in the area. He is continuing his farming operations around the facility and has large holdings in the area surrounding the Plant site.

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Energy Conservation facility siting criteria. The following criteria shall guide and govern the preparation of the inventory of exclusion and avoidance areas, and the site suitability evaluation process. ... g) Areas where animal or plant species that are unique or rare to this state would be irreversibly damaged.

Bear Paw has confirmed the absence of critical habitat within the Study area and Site. The North Dakota Game and Fish Department has stated there is no impact on any Species of Conservation Priority or impact any PLOTS land. Bear Paw is in active consultation with the US Corps of Engineers (COE) seeking a jurisdictional determination; this determination is required to establish the required mitigation, if any, for disturbances to this feature. This 0.127 acre feature appears to be man-made or modified as evidenced by a berm like feature designed to collect and retain surface runoff. Over time, this feature has taken on the physical characteristics (e.g.; vegetation, hydrology, and soils) of a wetland. Bear Paw has conducted a wetland delineation of the feature and is seeking concurrence from the COE that this is an isolated feature and non-jurisdictional to COE. A non-jurisdictional determination from the COE would place it under the jurisdiction of the State Water Commission but this feature at approximately 0.127 acres may fall below the de minis threshold of the State Water Commission. Bear Paw will continue to work with agencies to assess jurisdictional authority and required mitigation, if any.

Bear Paw's response to North Dakota Public Service Commission Staff on 4.6.11: A commitment of a portion of the transmitted product for use in this state.

Bear Paw will be sending transmission quality natural gas into a WBI pipeline at the Plant fence. This gas can be marketed and sold to customers in the State of North Dakota provided they have a WBI or Northern Border receipt point on those respective systems. The NGL's are being delivered to a rail shipping facility in Sidney, MT through a proposed liquids pipeline or a truck loading facility on the Plant site. From those receipt points, NGLs from the Garden Creek Plant can be marketed and sold to customers in the state of North Dakota.

Bear Paw's response to North Dakota Public Service Commission Staff on Tab 5: Mitigative measures.

Bear Paw's commitment to minimize environmental impacts includes the approval of a construction Storm Water Pollution Prevention Plan (SWPPP) and a construction Spill Prevention, Containment and Countermeasure Plan (SPCC Plan). These plans have been attached to this response document. The construction SPCC Plan does provide details for emergency response for environmental spills. Plant evacuation plans will not be necessary during construction as the Plant site will not contain high

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pressure natural gas or natural gas liquids. Emergency planning for natural disasters and personnel injuries will be coordinated on site between Linde Process Plants and their contractors.

A Plant operation SPCC Plan is being formulated at this time. However, some changes to specific items may occur due to operations or design needs to accommodate the construction of the Plant. This document will be completed closer to the Plant construction completion date. Similarly, final emergency planning and Plant evacuation plans will be finalized closer to this date.