

NORTH DAKOTA PUBLIC SERVICE COMMISSION

Application for Certificate of Corridor Compatibility

Bear Paw Energy, LLC
Garden Creek Natural Gas Liquids Pipeline
Project

Prepared by E3 Environmental, LLC

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INTRODUCTION

The proposed Garden Creek Pipeline (GCP) is a new 63.2-mile, 10-inch-outside diameter natural gas liquids (NGL) pipeline that will originate at Bear Paw Energy's (Bear Paw) Garden Creek Gas Processing Plant (Plant) near Watford City, North Dakota, and will terminate at Bear Paw's Riverview Terminal (Terminal) in Richland County, Montana near Sidney. The Terminal is a shipping facility from which the NGL will be distributed, by rail, to end users in the south and south central states.

The total length of the project is approximately 63.2 miles; the North Dakota portion of the proposed pipeline is approximately 54.2 miles long. From its origination at the Plant, the proposed Corridor includes both private and public lands. Bear Paw's selection criteria for the proposed corridor was influenced by opportunities to collocate the proposed pipeline within existing utility corridors where practicable. As such, approximately 31% (19.6 miles) of the route would utilize existing right of way corridors. In North Dakota, the proposed Corridor would allow for approximately 9.6 miles of route would be collocated within existing right-of-ways, including 75% of the 12.8 miles of the proposed route that would cross the Little Missouri National Grassland (LMNG).

Bear Paw submits to the North Dakota Public Service Commission (PSC) a single consolidated application for a Certificate of Corridor Compatibility and Route Permit for the GCP.

The application provides the requisite information as stipulated by:

- North Dakota Century Code, Energy Conversion and Transmission Facility Siting Act, Chapter 49-22-08; and,
- PCS Administrative Code, Chapter 69-06-04, Certificate of Site or Corridor Compatibility.

The information presented in this application is organized according to the format prescribed in the PSC Application Guidelines for a Certificate of Site or Corridor Compatibility, which divides the information into the following five main categories:

SECTION 1: DESCRIPTION

SECTION 2: STUDIES

SECTION 3: NEED FOR FACILITY

SECTION 4: LOCATION

SECTION 5: MITIGATIVE MEASURES

To assist the PSC in its review of Bear Paw's application, Bear Paw has included with this application the information described in Section 49-22-09 of the Century Code, Factors to Consider in Evaluating Applications and Designation of Sites, Corridors, and Routes. This information is in Section 4.

SECTION 1: DESCRIPTION

1.1 PURPOSE, TYPE AND SIZE OF FACILITY

The purpose of this facility is to transport field grade natural gas liquids (a mixture of ethane, propane, butanes, and pentanes also known as Y-grade NGL) produced at the Plant to Bear Paw's Terminal, an established transfer and shipping point, for distribution to markets nationwide.

1.2 TYPE AND SIZE OF FACILITY

1.2.1 TYPE

The GCP is a transmission pipeline. The steel pipeline will meet U.S. Department of Transportation (DOT) regulations, specifically the design criteria outlined in 49 CFR 195.100, constructed per 49 CFR 195.200 operated and maintained per 49 CFR 195.400.

1.2.2 SIZE

The pipe will be a 10 inch diameter pipe. The pipe installed will have a nominal wall thickness of 0.219 inches denoted as API Code 5L specification X52 pipeline pipe. The nominal wall thickness will increase to 0.307 for specific locations such as road crossings. The maximum allowable operating pressure (MAOP) of the pipeline will be 1440 pounds of pressure per square inch gauge (psig).

The proposed pipeline will include 15 block valves of which 11 will be located in North Dakota. These valves are installed to meet DOT regulations and will allow for the isolation of select segments of the pipeline for inspection and maintenance purposes as well as in the event of a system failure.

The valves to be installed will be 10 inch ANSI 600, flange end by flange end, full port, quarter turn ball valves and 10 inch ANSI 600 flange end by flange end, swing check valves. These valves will be manufactured in accordance with API Standard 6D. The MAOP of each valve will be 1440 psig.

1.2.3 LENGTH

The proposed GCP is approximately 63.2 miles in total length, of which approximately 54.2 miles are located in North Dakota.

1.2.4 LOCATION

The project would be located in McKenzie County, North Dakota, originating 4 miles from Watford City, moving generally south and west; terminating just south of Sidney in Richland County, Montana. Please refer to maps provided in Appendix B.

1.3 PROJECT SCHEDULE

1.3.1 CERTIFICATE OF CORRIDOR COMPATIBILITY

Bear Paw seeks a Certificate of Corridor Compatibility on or before July 30, 2011.

1.3.2 ROUTE PERMIT

Bear Paw submitted an application for a Route Permit in June 2011 as part of this Consolidated Application for a Certificate of Corridor Compatibility and Route Permit.

Bear Paw seeks a Route Permit on or before July 30, 2011.

1.3.3 CONSTRUCTION SCHEDULE

Bear Paw plans to commence construction as early as August 2011 with an estimated completion date of November 30, 2011. The proposed schedule is closely tied to the Plant commissioning and in-service dates. In order to perform final commissioning procedures the pipeline would need to be in-service to receive product produced during the commissioning and subsequent operations of the Plant. Plant commissioning is scheduled to begin November 2011 and will be fully operating by December 2011.

Bear Paw has divided the GCP into three spreads for the purpose of agency review and subsequent permitting that may be unique to individual spreads, maps detailing each spread are located in Appendix B. Spread 2 (S2) is located in the LMNG, which is managed by the U.S. Forest Service (FS). The review and permitting process for S2 may require additional time to complete, and therefore has the potential to delay pipeline construction sufficiently to become a timing conflict with the potential to impact Plant commissioning. To address this potential timing conflict, Bear Paw has prepared a construction alternative which would allow Plant commissioning and initial operations to proceed as scheduled. This alternative would require a temporary bypass of Spread 2 which would be achieved by interconnecting with existing infrastructure while S2 construction is completed. This alternative is detailed in full in the Route Permit Application.

SECTION 2: STUDIES

2.1 CORRIDOR

Bear Paw selected the proposed Transmission Facility Corridor (Corridor) based upon several criteria designed to conform with siting requirements, avoid and minimize socio economic and environmental impacts, while maximizing the benefits to local hydrocarbon producers in the Williston Basin. The process of selecting a corridor to site a route between two fixed assets was biased to take advantage of existing utility corridors. The collocation of utilities within an established and existing corridor is generally preferred by agencies and the public at large. The proposed Corridor is a one-mile wide area that is centered upon the proposed pipeline alignment (e.g., one-half mile on either side of the proposed pipeline). The proposed Corridor and preferred Route are illustrated on the maps located in the Appendix B.

A comprehensive desktop analysis of the Corridor was augmented with consultations with the federal and state agencies identified below which included a Class I Cultural Resource inventory. The results of this environmental analysis are summarized below. Copies of the consultations are provided in Appendix C.

- U.S. Fish and Wildlife Service (FWS)
- U.S. Forest Service (FS)
- U.S. Farm Service Agency (FSA)
- North Dakota Game and Fish Department (GFD)
- North Dakota Parks and Recreation-Natural Heritage Program (PRD)
- North Dakota State Lands Department (SLD)
- North Dakota State Preservation Office (SHPO)
- North Dakota Department of Health (NDDoH)

2.2 ENVIRONMENTAL DESKTOP ANALYSIS

2.2.1 WILDLIFE INVENTORY

The Corridor is comprised primarily of two distinct habitats; a) agriculture (e.g.; cultivated crops or range land), or b) natural or restored grasslands. The agencies listed above were consulted regarding the potential occurrence of protected or sensitive species and their critical habitats within the Corridor. Wildlife species inhabiting or present in the parcel are those commonly associated with western North Dakota region. These species may include terrestrial (e.g.; avian and mammals), and aquatic (e.g.; fish and amphibians). Diversity of wildlife species would be expected to be greatest in native or restored grasslands versus cultivated fields.

2.2.2 WETLAND AND WATERBODIES ANALYSIS

Desktop analysis of aerial photography and National Wetland Inventory (NWI) maps was used to evaluate the location and extent of mapped wetlands and waterbody features within the Corridor. The majority of the Corridor lacked mapped wetland features. The Corridor and proposed Route would cross 11 named waterways and their smaller unnamed intermittent tributaries: Cherry Creek, Antelope Creek, Charbonneau Creek, Bay Creek, Cummings Draw, Bennie Peer Creek, McPeak Creek, Ronnigen Draw, Spring Creek, Badlands Draw, and One-O-One Creek. Preliminary routing has taken these features into consideration and has avoided direct impacts where practicable.

Bear Paw has commissioned additional studies of the Corridor and more specifically the proposed Route to delineate wetland and waterbody boundaries. The information gathered from these surveys will be used for final routing, permitting, and mitigation planning where necessary. The results of these studies are included in Appendix D and proposed mitigation is detailed in Section 4 Mitigation of the application for a Route Permit.

2.2.3 TREE/SAPLING/SHRUB ANALYSIS

Desktop analysis of aerial photography was used to evaluate the location and extent of woody vegetation within the Corridor. The density of the woody cover was sparse, and appears to be typically either associated with a cultivated windrow feature or a natural feature such as waterbody or more commonly with significant topographic relief such as defined banks or incised drainage ways. Bear Paw has commissioned additional studies of the Corridor and more specifically the proposed route to inventory woody vegetation, study avoidance mitigation and inventory proposed impacts for mitigation. The results of these studies are included in Appendix D and proposed mitigation is detailed in Section 4 Mitigation of the application for a Route Permit.

2.3 AGENCY CONSULTATIONS

2.3.1 U.S. FISH AND WILDLIFE SERVICE

The U.S. Fish and Wildlife Service (FWS) administer several programs designed to identify and protect special status plant and animal species and critical habitats. E3 Environmental, LLC (E3), on behalf of Bear Paw, requested a project review of the Corridor by FWS and received comments as described below in a consultation dated March 18, 2011.

2.3.1.1 FEDERALLY PROTECTED SPECIES REVIEW

Under authority of the Endangered Species Act (ESA), the FWS (and National Oceanic and Atmospheric Agency - Fisheries) has identified and maintains a list of species and critical habitats that have been afforded protection under the ESA; the ESA provides a

program for the conservation of threatened and endangered plants and animals and the habitats in which they inhabit.

On behalf of Bear Paw, E3 provided technical assistance with protected species review and subsequent consultations with the FWS. E3 reviewed FWS published data and identified the following listed species and the potential for the species to occur within the Corridor.

- Whooping crane (*Grus americana*) – Endangered
- Least tern (*Sterna antillarum*) – Endangered
- Piping plover (*Charadrius melodus*) – Threatened
- Pallid sturgeon (*Scaphirhynchus albus*) – Endangered
- Gray wolf (*Canis lupus*) – Endangered
- Black-footed Ferret (*Mustela nigripes*) – Endangered

E3 reviewed the available information that described the life history, critical habitats, and conservation measures associated with each species to assess the potential effects of the project on these resources. The results of the assessment are provided below:

Whooping crane:

The Aransas Wood Buffalo Population of whooping cranes engages in semi-annual migration through North Dakota. This flock breeds in the Wood Buffalo National Park in Alberta and Northwest Territories, Canada, and winters in the Aransas National Wildlife Refuge in Texas. This species has been closely studied and monitored in recent years due to its small, fragile population. North Dakota provides migratory habitat for the species, providing roosting and feeding opportunities during migration. During migration species is most closely associated with larger wetland complexes for roosting habitat, typically using adjacent uplands to forage. The FWS has noted that potential crane habitat is located within the Corridor; Bear Paw commissioned surveys of the route and developed mitigation plans for environmental resources identified within the route (See Section 4 Mitigation of Route Permit for additional details).

Least tern:

The interior population(s) of the least tern has historically been associated with large river systems for breeding and migratory habitats. Breeding birds are known to breed in colonies, utilizing sandbar habitat common to larger rivers. The FWS cited the Missouri and Yellowstone Rivers as locations within the region that are known to host breeding populations of the least terns. The Project is a minimum of approximately 15 miles from the Missouri River. No other suitable habitat is present in North Dakota; the Yellowstone River will be crossed in Montana. Bear Paw will work with agencies to mitigate potential impacts to terns by utilizing some combination of low impact crossing (e.g. Horizontal Directional Drill) or avoidance timing.

Piping plover:

The piping plover (plover) is associated with shorelines along small alkaline lakes, large reservoir beaches, and river islands and adjacent sand pits. Breeding birds select wide beaches with highly clumped vegetation covering less than 25 percent of the area. Regionally, the FWS cited the Missouri and Yellowstone Rivers as locations within the region that are known to host breeding populations of the plovers. The Project is a minimum of approximately 15 miles from the Missouri River. No other suitable habitat is present in North Dakota; the Yellowstone River will be crossed in Montana. Bear Paw will work with agencies to mitigate potential impacts to plovers by utilizing a combination of low impact crossing (e.g. Horizontal Directional Drill) or avoidance timing.

Pallid sturgeon:

In the March 18, 2011 consultation response from FWS, the agency limited comments to the potential occurrence of the pallid sturgeon in the Yellowstone River. In North Dakota, there are reaches of the Missouri River that have been cited as providing suitable habitat for the sturgeon. The Project is a minimum of approximately 15 miles from the Missouri River. Due to the distance, the project will not impact this species. Bear Paw will work with agencies to mitigate potential impacts to the sturgeon by utilizing an appropriate crossing technique such as a low impact crossing (e.g. Horizontal Directional Drill) technique to avoid or minimize potential impacts to the sturgeon.

Gray wolf:

In the March 18, 2011 consultation response from FWS, the agency did not provide comments regarding potential impacts to the gray wolf.

Black-footed ferret:

In the March 18, 2011 consultation response from FWS, the agency did not provide comments regarding potential impacts to the black-footed ferret.

2.3.1.2 MIGRATORY BIRD TREATY ACT CONSULTATION

In the March 18, 2011 consultation response from FWS, the agency acknowledged that a July 25th construction start would successfully avoid many impacts to migratory birds. The FWS further qualified this statement to note that least terns, piping plover, and eagles may be actively nesting through August 31 annually. The FWS did not identify any suitable habitat for terns or plovers in North Dakota. Bear Paw commissioned field surveys for raptor nest structures along the Route. These efforts were conducted in April and May of 2011. The results of these studies are fully detailed in Appendix D. The results of these studies will be used by Bear Paw to prepare site specific avoidance or mitigation plans for locations with resource issues that require additional planning. Bear Paw will coordinate with the appropriate agencies when developing and implementing mitigation plans.

2.3.1.3 BALD AND GOLDEN EAGLES ACT CONSULTATION

The Bald and Golden Eagle Act (BGEA) prohibits anyone without a permit from taking a bald or golden eagle including their parts, nests, or eggs. The BGEA defines “take” as pursue, shoot, shoot at, poison, wound, kill, capture, trap, collect molest or disturb. The BGEA also addresses impacts resulting from human-induced alterations occurring around previously used nesting sites. The FWS stated that several golden eagle nests have been previously documented in McKenzie County, North Dakota. Bear Paw commissioned field surveys to confirm the presence or absence of eagle’s nests present within ½ mile of the proposed route, Bear Paw will work with the FWS as necessary if an eagle nest is identified within ½ mile of the proposed pipeline route.

2.3.1.4 U.S. FISH AND WILDLIFE SERVICE MANAGED LANDS

In the March 18, 2011 consultation response from FWS, the agency did not identify any FWS managed lands crossed by the project.

The FWS offered recommendations that Bear Paw shall take under consideration related to minimization of wetland impacts, seeding recommendations should the project impact native prairies, and specific recommendations related to the proposed crossing of the Yellowstone River. Bear Paw’s mitigation plans are detailed its application for a Route Permit and can be found in Section 4 Mitigation.

2.3.2 U.S. FOREST SERVICE MANAGED LANDS

On April 11, 2011 Bear Paw submitted a Special Use Permit application with the LMNG seeking authorization to install approximately 12.8 miles of pipeline. The FS is the federal land management agency for the LMNG. Upon acknowledgement of receipt of a complete application, the FS initiated Public Scoping in support of a National Environmental Policy Act (NEPA) review of the project. The FS has stated that the project shall require an Environmental Assessment to complete the NEPA analysis. The FS review shall apply to Spread 2 and shall be limited to that portion of the proposed pipeline that would be sited on FS lands. Bear Paw will continue to work with the FS and shall comply with requested field studies and mitigation plans in pursuit of a Finding of No Significant Impact (FONSI) and subsequent Record of Decision and Special Use Permit. This process is on-going, relative documents are included in Appendix H.

2.3.3 U.S. FARM SERVICE AGENCY

On Bear Paw’s behalf, E3 consulted with the local U.S. Farm Service Agency (FSA) office to confirm the presence or absence of Conservation Reserve Program or Grassland Reserve Program lands within the proposed Corridor. The McKenzie County office of the FSA responded stating that the requested information is confidential; therefore, Bear Paw is unable to provide comment regarding the presence of FSA lands within the Corridor

2.3.4 NORTH DAKOTA GAME AND FISH DEPARTMENT

The North Dakota Game and Fish Department (GFD) exercises oversight and management of the state's game species and certain state managed lands (i.e., PLOTS Program). On January 26, 2011, the GFD confirmed the absence of both state managed lands and wildlife concerns associated with the proposed Corridor.

The GFD identified Cherry Creek as a Class III fishery. The agency requested that Bear Paw install the pipeline at this location utilizing a low impact method (e.g.; horizontal directional drill) or observe their suggested timing restriction (i.e.; complete the crossing prior to April 15 or after June 1) to avoid impacts to the fishery. Bear Paw is working with the agency recommendations to avoid impacts to specified resources. Bear Paw's mitigation plans are detailed its application for a Route Permit and can be found in Section 4 Mitigation.

The GFD also requested that Bear Paw minimize impacts to native prairies or wooded draws when constructing the pipeline or creating construction access. The agency also noted that the Corridor included National Wetland Inventory (NWI) mapped waterbody features. The agency suggested avoidance when practicable and restoration of disturbed NWI features crossed by the project to avoid permanent impacts. See Appendix C for a copy the correspondence.

2.3.5 NORTH DAKOTA PARKS AND RECREATION DEPARTMENT

The North Dakota Parks and Recreation Department (PRD) – Natural Resource Division scope of authority and expertise covers recreation and biological resources (in particular rare species and ecological communities). The PRD also maintains a database comprised of the location and recorded occurrences of plant and animal species of special concern. The PRD authority includes management of state park lands and Land and Water Conservation Funded recreation projects.

On behalf of Bear Paw, E3 consulted with the PRD regarding the proposed corridor and seeking confirmation regarding the presence or absence of managed lands or projects within the Corridor. On February 2, 2011, the PRD responded and confirmed the absence of state managed lands or Land and Water Conservation Funded recreation projects within the Corridor.

Bear Paw also requested confirmation regarding the presence or absence of sensitive species managed by PRD. The PRD identified four potential occurrences of species of special concern within the corridor. These species include three birds and one plant as follows:

- Prairie Falcon (*Falco mexicanus*)
- Golden Eagle (*Aquila chrysaetos*)
- Sprague's Pipit (*Anthus spragueii*)

- Dakota Buckwheat (*Eriogonum visher*)

The potential location of the species, as identified by the PRD are associated with FS managed lands and as such, will be included in any analysis completed by the FS. Furthermore, any related information regarding these species, such as survey results, habitat analysis, and or impact analysis will be made available to the PRD via the NEPA process. See Appendix C for a copy of the correspondence. Bear Paw's survey efforts are summarized in Section 2 of the Route Permit, Survey reports are provided in Appendix D and proposed mitigation plans can be found in Section 4 of the Route Permit application.

2.3.6 NORTH DAKOTA STATE LANDS DEPARTMENT

The North Dakota State Lands Department (SLD) is in charge of managing surface acres and mineral interests held in trust for various schools and institutions. Consultations with SLD were initiated in April, 2011 and completed on June 20, 2011. Bear Paw has confirmed no surface or mineral interests held by the state will be affected by the project. See Appendix C for a copy of the correspondence.

2.3.7 NORTH DAKOTA STATE HISTORIC PRESERVATION OFFICE

The North Dakota State Historic Preservation Office (SHPO) is responsible for managing the historic and archaeological resources of the state. Bear Paw commissioned, SWCA, Inc. (SWCA) to conduct Class I cultural resource inventory of the Corridor, this was completed on November 17 and 18, 2010, and January 18, 2011. The results of this inventory concluded that 57 previously recorded cultural resources occurred within the proposed Corridor. These results were used to assess Corridor compatibility for routing and later for Route refinement and preparation for field studies.

Please refer to Appendix C for related agency consultations, Appendix E for cultural resource survey reports and Section 4 Mitigation of the Route Permit application for proposed mitigation measures.

2.3.8 NORTH DAKOTA DEPARTMENT OF HEALTH (NDDOH)

The North Dakota Department of Health (NDDoH) administers regulatory programs governing the certain water discharges. Bear Paw is currently in the process of preparing NDDoH permit application materials to acquire the requisite approval with respect to water discharges.

2.3.8.1 NDDOH POLLUTION DISCHARGE ELIMINATION SYSTEM

The Pollution Discharge Elimination System (ND PDES) is the regulatory program that regulates water discharges such as construction stormwater, site dewatering and hydrostatic discharge permits. Bear Paw will procure the following ND PDES permits from the NDDoH as described below.

Construction Stormwater: Bear Paw will be seeking coverage under NDR10-0000 *Authorization to Discharge Under the North Dakota Pollutant Discharge Elimination System* general permit for construction sites as required when disturbing an area greater than five (5) acres. A project-specific erosion control plan referred to as Storm Water Pollution Prevention Plan (SWPPP) will be prepared and maintained on-site for the duration of the project. Bear Paw will properly implement the SWPPP which will be designed to manage run-off and trench dewatering discharges in a manner that will minimize exposure to chemicals, waste, and petroleum products as well as describing erosion control measures designed to minimize off-site transfer of sediments.

Hydrostatic test water discharges: Bear Paw will be seeking coverage under NDG07-0000 *Authorization to Discharge Under the North Dakota Pollutant Discharge Elimination* a general permit for various temporary discharges including both construction site dewatering and hydrostatic test water discharges.

SECTION 3: NEED FOR FACILITY

3.1 ANALYSIS OF NEED BASED ON PRESENT AND PROJECTED DEMAND, INCLUDING SYSTEM STUDIES

The development of hydrocarbon production in the Williston Basin has increased significantly in recent years due to advancements in deep horizontal directional drilling techniques and subsequent oil extraction in the Bakken and Three Forks shale formations. The total recoverable amount of Bakken Shale and Three Forks oil reserves are subject to interpretation and speculation. Studies conducted by the North Dakota Department of Mineral Resources and U.S. Geologic Survey (USGS) in 2008 and 2010 indicate that 4.0 to 6.3 billion barrels of recoverable crude oil reserves may be available in North Dakota's deep shale formations. Oil production statistics from the Bakken and Three Forks Formation indicates that oil production has increased dramatically over the past three years from nearly 110,000 barrels per day (bpd) in 2007 to nearly 386,600 bpd in June, 2010. Oil production is expected to increase by an additional 200,000 to 300,000 bpd by 2015.

A major constraint in transporting hydrocarbons from North Dakota to distribution centers and eventual end users in the United States is the lack of pipeline capacity. To relieve the pipeline constraints, several projects have been planned to address the growing volumes of crude oil, natural gas, and NGL, but pipeline capacity is not expected to keep pace with production, leaving incremental volumes to find alternative transportation methods, primarily rail or other surface transportation alternatives.

Construction of the GCP will provide firm, reliable service for 2.17 million pounds per day of NGL and provide a critical link between the Plant and the Terminal. The pipeline will operate at 1,440 pounds per square inch of pressure. From the Terminal, the product will be shipped via rail to end users until 2013 when a large-scale NGL pipeline will be constructed to ship product from the Terminal to the ONEOK's Overland Pass Pipeline system.

3.2 DESCRIPTION OF FEASIBLE ALTERNATIVE METHODS OF SERVING THE NEED

Based on project objective for delivery of up to 2.71 million pounds of NGL per day from Bear Paw's Plant to the Terminal, Bear Paw evaluated several alternatives to the proposed action. These alternatives included:

- No-Action Alternative;
- Trucking Alternative; and
- Rail Alternative.

No Action Alternative:

A No Action Alternative would leave the region constrained by limited transport capacity for safe and reliable transmission of NGL products to markets. Bear Paw's Plant, which is being constructed pursuant to a Certificate of Site Compatibility (Case PU-10-568) will process 100 MMcfd of natural gas produced in association with regional oil production. Without a viable NGL outlet, the Plant will be unable to operate or would be required to operate at significantly reduced volumes. Overall, regional oil and gas production would continue to be constrained by the limited volume of product that could be shipped utilizing existing infrastructure, resulting in continued or increased flaring and/or curtailment of crude oil production. This alternative is not desirable. For these reasons, Bear Paw rejected a *No Action Alternative*.

Trucking Alternative:

This scenario was reviewed and eliminated due to the volumes of field grade NGLs that will be produced at the Plant. An estimated 13,000 barrels or 546,000 gallons of NGLs will be produced daily by the Plant. The average load for an NGL truck is approximately 10,000 gallons per truck. Thus, it will require 55 trucks per day to be loaded at the Plant, an average of 2.3 trucks every hour for 24 hours a day. Similarly it would require these 55 trucks per day to be unloaded (trans-loaded) at the railcar facility at the Terminal. This level of truck activity is not logistically feasible; it would cause an unacceptable amount of heavy vehicle traffic for the area residents' as well additional wear and tear on the infrastructure. Any disruption in the trucking capacity due to seasonal load restrictions on roads, inclement weather, or road repairs would result in a Plant shutdown and flaring of gas production. This alternative is not desirable. For these reasons, Bear Paw rejected a *Trucking Alternative*.

Rail Alternative:

A new rail facility was also considered as a surface transportation alternative. This alternative would require significant investment in new infrastructure both at the Plant and across approximately 64 miles of landscape to accommodate the rail spur and associated right-of-way. There were three (3) factors that weighed significantly into the feasibility analysis of this alternative. First, a study was conducted of Plant and available space on facility grounds to site a rail loading rack. This analysis concluded that the available space on site within the existing property limits was not sufficient to accommodate the addition of a rail loading rack. Secondly, the siting, acquisition of right-of-way, and construction of a minimum of 64 miles of rail spur was determined to have a significantly greater environmental impact, with the potential to result in permanent environmental impacts associated with the construction and operation of this above ground feature. Thirdly, this alternative was determined to be not feasible due to financial, logistic, and timing constraints. This alternative is not desirable. For these reasons, Bear Paw rejected a Rail Alternative.

SECTION 4: LOCATION

4.1 CORRIDOR

Bear Paw has identified a preferred Corridor, which is a one-mile-wide area centered upon the proposed pipeline route. The selection of the proposed Corridor was a multi-disciplinary effort which included socioeconomic, environmental, logistics, engineering and financial considerations. The Corridor described in this application maximizes the use of established utility corridors, maximizes Bear Paw's opportunity to access existing infrastructure and operating assets, minimizes landowner impacts, and minimizes environmental impacts.

Bear Paw proposes to site this pipeline in established right-of-way corridors for approximately 31% of the route, of which 100% are rights-of-ways currently operated and maintained by Bear Paw. Additionally, the proposed route makes use of existing easements on 9.6 miles of federal lands which will reduce impacts to private landowners.

The proposed Corridor and ensuing route will also have logistical benefits. Pipelines that are properly installed, marked and collocated in an established right-of-way are more visible due to proximity to other utilities and are therefore less likely to experience third party strikes. Once GCP is operational Bear Paw would realize logistical benefits associated with monitoring pipeline cathodic protection, leak detection and right-of-way maintenance. Information regarding the location of GCP shall be shared with McKenzie County Emergency responders as requested through comments received during Bear Paw's Community Outreach meetings.

Bear Paw owns and operates several assets in the region. The operations of these assets are conducted in a manner that maximizes overall value of the resource, which benefits regional stakeholders (producers, royalty owners, and state tax revenues). The proposed Corridor and Route will allow Bear Paw to draw upon existing pipeline and facility assets in the region. While siting is typically conducted on an individual, project specific basis, Bear Paw's logistical planning includes consideration for interconnects with existing infrastructure to improve operational flexibility and maximize operating functionality. Interconnects are desirable and may allow for the continued operations of assets when portions of the system may be out of service for maintenance.

Bear Paw has initiated agency consultations, and performed internet-based research and desktop analysis of the Corridor. These efforts were augmented by site visits including biological and cultural resource field surveys; these results are discussed in detail in the application for a Route Permit.

4.2 IDENTIFY AND MAP CRITERIA

The information presented in this section was developed to demonstrate conformation with the PSC’s siting criteria for Energy Conversion and Transmission facilities. Bear Paw has conducted a thorough inventory of the Corridor and evaluated the resources that occur within it to sufficiently assess the compatibility of the Project with the PSC’s siting criteria. The following sections identify and discuss the presence or absence of siting criteria within the Corridor. Where siting criteria is identified, its location is shown on the maps in Appendix B.

4.3 EXCLUSION AREA INVENTORY AND ANALYSIS

Exclusion areas are geographic areas that should be excluded from consideration when siting an energy transmission facility. The following table and text identify and discuss exclusion areas identified within the Corridor.

Exclusion Area	Within Corridor
Federal	
National Parks or Memorial Parks	No
Historic Sites, Districts, or Landmarks	No
Natural Landmarks or Monuments	No
Wilderness Areas	No
State	
Historic Sites, Monuments, or Historical Markers	No
Archaeological Sites	Yes
Parks	No
Nature Preserves	No
County	
Parks	No
Recreation Areas	No
Municipal Parks	No
Other	
Areas Critical to the Life Stages of Threatened and Endangered Animal or Plant Species	No
Areas where Animal or Plant Species that are Unique or Rare to this State would be Irreversibly Damaged	No

4.3.1

4.3.2 FEDERAL RESOURCE REVIEW

Bear Paw has initiated consultations with various other Federal agencies and has conducted a comprehensive review of published information; Bear Paw has concluded that no wild and scenic rivers or wildlife refuges will be crossed or will be affected by the project. Please refer to Section 2 of Corridor Certificate Application for a comprehensive discussion of Bear Paw’s consultations and Appendix C for reference.

Bear Paw has completed a Class I survey of the Corridor. A subsequent Class III survey was conducted of the survey corridor. These efforts confirmed the absence of historic districts or landmarks of federal interest. Several sites were identified and characterized as eligible or potentially eligible sites under the National Historic Preservation Act (NHPA). Bear Paw's final routing will avoid impacts to these sites, Please refer to Section 2 of Corridor Certificate Application for a comprehensive discussion of Bear Paw's consultations, Appendices C and D for reference. Mitigation details are discussed in Section 4 of the Route Permit Application.

4.3.3 STATE RESOURCE REVIEW

Bear Paw has confirmed through a combination of agency consultations, review of publically available information and field studies the absence of state parks, historic sites, monuments, historical markers, archaeological sites, or nature preserves within the proposed Route. Please refer to Section 2 of Corridor Certificate Application for a comprehensive discussion of Bear Paw's consultations and Appendix C for reference.

4.3.4 COUNTY RESOURCE REVIEW

Bear Paw has confirmed through a combination of agency consultations, review of publicly available information and field studies the absence of county parks, recreation areas, municipal parks, or parks owned by other subdivisions of government bodies within the proposed Route. Please refer to Section 2 of Corridor Certificate Application for a comprehensive discussion of Bear Paw's consultations and Appendix C for reference.

4.3.5 AREAS CRITICAL TO THE LIFE STAGES OF THREATENED AND ENDANGERED ANIMAL OR PLANT SPECIES

Bear Paw has conducted a comprehensive desktop review of the Corridor; these efforts were augmented with agency consultations and additional Bear Paw commissioned field surveys of the proposed Route to confirm presence or absence of critical habitat. Please refer to Appendix C for documentation of the agency consultation and Section 2 and 4 of the application for a Route Permit for details of the field studies and mitigative measures respectively.

4.3.6 AREAS WHERE ANIMAL OR PLANT SPECIES THAT ARE UNIQUE OR RARE TO THIS STATE WOULD BE IRREVERSIBLY DAMAGED

Bear Paw has engaged in federal and state agency consultations; reviewed published information regarding critical habitat; and conducted desk top analysis of the Corridor for the purpose of assessing potential environmental impacts. Based on these studies, Bear Paw has concluded that the presence of protected species or their critical habitats is limited. Please refer to Section 2 Studies of the application for a Route Permit for a detailed description field studies; Section 4 which details mitigation measures; and Appendix C for supporting documentation of agency correspondence. Bear Paw is working with agencies to develop mitigation plans for those locations that may occur within the proposed route.

4.4 AVOIDANCE AREA INVENTORY AND ANALYSIS

Avoidance Area	Within Corridor
National	
Historic Districts	No
Wildlife Areas	No
Wild, Scenic or Recreational Rivers	No
Wildlife Refuges	No
Grasslands	Yes
State	
Wild, Scenic, or Recreational Rivers	No
Game Refuges or Game Management Areas	No
Forests or Forest Management Areas	No
Grasslands	No
Other	
Other Historic Resources not meeting Exclusion Areas criteria	No
Areas of Known Geologic Instability	No
Areas within 500-Feet of a Residence, School, or Place of Business	Yes
Reservoirs and Municipal Water Supplies	No
Water Sources for Organized Rural Water Districts	No
Irrigated Land (does not apply to underground facilities)	Not Applicable
Areas of Recreational Significance which are not designated as Exclusion Areas	No

4.4.1 NATIONAL RESOURCE REVIEW

The proposed Corridor would cross approximately 12.8 miles of LMNG, which are FS managed lands. On April 11, 2011 the FS accepted Bear Paw’s application to site the project in the LMNG along the route described within this application. Precedent for the route has been previously established and Bear Paw holds a utility easement with FS for 12.8 miles of the proposed route and if authorized would locate the proposed GCP within the existing utility easement. The FS has initiated a comprehensive review of the LMNG portion of the project and will complete an Environmental Assessment (EA) under the guidelines of the National Environmental Policy Act (NEPA) to support its decision to issue a Special Use Permit (SPU) to Bear Paw to construct the project. Bear Paw is supporting this process by providing comprehensive natural resource and cultural resource field studies and reports of the proposed project. The EA produced by this NEPA analysis is anticipated to be completed in late-August 2011 and a SPU would then follow.

4.4.2 STATE RESOURCE REVIEW

Bear Paw conducted a review of publically available resources and has concluded that there are no registered state parks, historic sites, monuments, historical markers, or nature preserves within the Corridor.

4.4.3 HISTORICAL RESOURCES NOT MEETING EXCLUSION AREA CRITERIA

Bear Paw commissioned a Class I inventory of the Corridor, and Class III cultural resource inventory of the proposed pipeline route, these studies identified confirmed the presence of historical resources. Bear Paw's final routing will avoid impacts to these sites, Please refer to Section 2 of Corridor Certificate Application for a comprehensive discussion of Bear Paw's consultations, Appendices C and D for reference. Mitigation details are discussed in Section 4 of the Route Permit Application.

4.4.4 AREAS OF KNOWN GEOLOGIC INSTABILITY

A total of 1,853 landslides were identified by the North Dakota Geological Survey in the Watford City area, an area that occupies approximately 1,536 square miles and extends to the Montana state line. The landslide map includes the entire project footprint. Many of these slides are complexes, consisting of multiple landslides that formed from half dozen or more individual events. These slides cover an area of 28,700 acres or approximately 3 percent of the area; however, the landslides are well concentrated in the Little Missouri River Badlands. No landslides or topography that is susceptible to landslides is included in the project corridor

Additionally, North Dakota has not experienced an earthquake of sufficient magnitude to damage steel welded pipe or structural steel structures in recorded history. Sink holes are known to occur in the region, but these are related to subsurface mining activities as opposed to limestone dissolution. Bear Paw has determined that no mining activities are located in the in the Study Area or at the Project Site.

4.4.5 AREAS WITHIN 500-FEET OF A RESIDENCE, SCHOOL OR PLACE OF BUSINESS

Bear Paw utilized aerial photography to identify structures located within 500 feet of the proposed pipeline alignment. Field surveys were conducted each structure to characterize the structure as rural residence, school or place of business. Bear Paw has identified two potential locations where there are occupied structures located within 500 feet of the proposed alignment.

4.4.6 RESERVOIRS AND MUNICIPAL WATER SUPPLIES

Bear Paw has confirmed that the Corridor does not contain reservoirs or municipal water supply sources.

4.4.7 WATER SOURCES FOR ORGANIZED RURAL WATER DISTRICTS

Bear Paw has confirmed that the Corridor does not contain water sources that are utilized by organized rural water districts.

4.4.8 IRRIGATED LAND

This criterion does not apply to underground transmission facilities; as such it is not applicable to this Project.

4.4.9 AREAS OF RECREATIONANL SIGNIFICANCE WHICH ARE NOT DESIGNATED AS EXCLUSION AREAS

The LMNG offers diverse recreational opportunities that are managed by the FS. The NEPA process used to evaluate the proposed project will assess the project relative to managed use of these public lands.

Bear Paw has confirmed that the Corridor does not contain any other areas of Recreational Significance.

4.5 FACTORS TO BE CONSIDERED IN EVALUATING APPLICATIONS AND DESIGNATION OF SITES, CORRIDORS, AND ROUTES (SECTION 49-22-09, N.D.C.C.)

4.5.1 SELECTION CRITERIA

The selection criteria require assessment of the environmental impacts and alterations to land use that may result from the siting of the proposed project. Through this process, Bear Paw proposes that it has successfully avoided or minimized these effects to the maximum extent practicable.

4.5.1.1 AGRICULTURAL IMPACT ASSESSMENT

Agricultural Production: The Project will temporarily impact approximately 475 acres of private land in North Dakota. Once the construction is complete, the land will be restored to its pre-construction contours and land use. Bear Paw will provide settlements to landowners for crop loss resulting from Project construction.

Family Farms and Ranches: The Project will temporarily impact approximately 475 acres of private land in North Dakota. Once construction is complete, the land will be restored to its pre-construction contours and land use. Bear Paw will negotiate easements with all affected landowners. The Project will have no permanent impacts to lifestyle or farm/ranch operations once construction has been completed.

Lands Suitable for Irrigation: This section is not applicable to buried pipelines (69-06-08-02.2h).

Surface Drainage: Standard pipeline construction techniques to be employed will not modify existing surface drainage patterns. Care will be taken throughout the construction process to minimize environmental impacts, including modification of drainage patterns. During restoration, those areas that were disturbed during construction shall be restored, the local topography shall be restored to its original contours, vegetation shall be reestablished and impacts shall be minimal and temporary.

Ground Water: Groundwater resources in the project corridor include sedimentary rocks of the Fort Union Group of Tertiary age and glacial drift of Quaternary age. The Fort Union Formation includes the lower Tertiary aquifer consisting of alternating beds of sandstone, siltstone, and claystone; both commonly contain beds of lignite and sub-bituminous coal. The thickness of the Fort Union Formation in the Project area is variable, but in most location it is approximately 300 feet deep. The sandstone beds of the Fort Union are coarse grained and permeable. Wells finished in bedrock typically yield up to 50 gallons per minute, and wells finished in glacial drift can yield 300 gallons per minute.

The majority of the project area is covered by relatively thin drift and only very local aquifers exist above the Fort Union Group. Water levels in these local aquifers compare with the regional water table or piezometric surface, which parallels the land surface in a very general way. Groundwater divides are in the general areas of the surface-water divides. The piezometric surface generally slopes toward the large drainages, such as Bennie Peer Creek.

Well data has been recorded by the State Water Commission for the area where the Project Site is proposed. Well data indicates that groundwater is located between 72-140 feet below the surface, but the yields were less than 10 gallons per minute.

Subsurface excavations associated with the project will not extend to more than 10 feet below the ground surface. At that depth, the project will not intersect the groundwater table, nor will the project alter recharge rates or the infiltration, permeability, percolation of water into the groundwater reservoir. Additionally, the lateral movement and groundwater quality will not be affected by construction of the Project.

Surficial aquifer along streams and wetlands may be affected, but surficial aquifers are localized and typically do not provide a domestic water supply. Impacts to surficial aquifers will be minor and short term.

4.5.1.2 THE IMPACTS UPON

Noise-Sensitive Land Uses: There are no noise-sensitive resources located within 500-feet of the proposed pipeline alignment. Bear Paw has identified two potential inhabited structures within the Corridor. Bear Paw will route the proposed Project to

maintain a minimum of 500-feet from these structures where possible. The project is located in a rural setting, effectively isolating it from the majority of sensitive receptors. Once constructed and in-service, normal pipeline operations are not audible.

Visual Effect on Adjacent Areas: There will be a total of 15 block valves to be installed, of which 11 will be located in North Dakota. Block valves are small above ground features. Each block valve assembly occupies approximately 0.04 acres with exposed piping and appurtenances that may be up to 6 feet in height. These facilities are typically enclosed with fences which are padlocked shut against vandalism and accidental activation. Each location is clearly marked with a small placard that details ownership and contact information. The visible piping and equipment is maintained with finished white painted surface. These features are common throughout the landscape and are not obtrusive, no other permanent above ground features are to be installed for the Project.

Extractive and Storage Resources: This Project will not impact any extractive or storage resources.

Wetlands, Woodlands, and Wooded Areas: Bear Paw conducted a desktop review of published data which included aerial photography and NWI data. Based upon this analysis, the proposed Corridor does include these resources. Bear Paw has commissioned field surveys to identify the locations of these resources within the proposed route. The results of these field studies will be used to determine a preferred alignment to minimize impacts to wetlands, woodlands, and wooded areas. Please refer to Section 2 of Corridor Certificate Application for a comprehensive discussion of Bear Paw's consultations, Appendices C and D for reference. Mitigation details are discussed in Section 4 of the Route Permit Application.

Radio and Television Reception, and other Communication or Electronic Control Facilities: Bear Paw does not anticipate the Project impacting radio, television, or other electronic control facilities.

Human Health and Safety: Bear Paw promotes a safe and healthy workplace during construction and operations of all its assets. A corporate policy that meets or exceeds federal and state laws, rules and regulations is enforced and adhered to by all regular and contract employees. Bear Paw governs operations and construction activities with various safe work procedures designed to protect property, personnel and maintain regulatory compliance. The product transported is a cryogenic fluid which will vaporize when exposed to normal atmospheric pressure. The product will contain no more than 4 ppm hydrogen sulfide and does not pose an exposure risk to environment nor humans, however the product is flammable. The operation of the GCP will be continuously monitored via Bear Paw's Supervisory Control and Data Acquisition

(SCADA) system, which is designed to shut in any section that exhibits abnormal operating parameters.

Animal Health and Safety: The wildlife currently inhabiting the Corridor are common and are generally mobile. The local wildlife inhabitants will be temporarily displaced by the Project without a measurable impact to the viability of these populations. No species of special concern are anticipated to experience direct impacts due to construction or operation of the Project.

Plant Life: All impacts will be temporary in nature and disturbed areas will be returned to pre-construction conditions. No species of special concern will be impacted by the Project.

4.6 POLICY CRITERIA

4.6.1 POLICIES AND COMMITMENTS TO LIMIT ENVIRONMENTAL IMPACT

Bear Paw is committed to conduct its business in compliance with all applicable environmental laws and regulations. These laws, regulations and standards are designed to safeguard the environment, human health, wildlife, and natural resources. Bear Paw commitment to observe them faithfully is an integral part of our business and our values.

Bear Paw will comply with requirements contained in the Corridor Certificate and Route Permit. Bear Paw will conduct its activities with the objectives of providing a healthful and safe workplace for its employees, preventing accidents and environmental incidents. All persons and firms providing service to Bear Paw are required to conduct their work in compliance with environmental conditions, permit authorizations, and regulations and will be held accountable for their actions in that regard.

4.6.2 LOCATION AND DESIGN

This Project will connect two existing facilities, Bear Paw's Plant, located in McKenzie County, North Dakota near Watford City and the Terminal located in Richland County, Montana near the town of Sidney. The North Dakota portion of the project entails approximately 54.2 miles, all of which would be located in McKenzie County. Please refer to Appendix B for project maps.

The proposed pipeline will be constructed of steel and will be a 10 inch diameter pipe. The pipe installed will have a nominal wall thickness of 0.219 inches denoted as API Code 5L specification X52 pipeline pipe. The nominal wall thickness will increase to 0.307 for specific locations such as road crossings. The maximum allowable operating pressure (MAOP) of the pipeline will be 1440 pounds of pressure per square inch gauge (psig).

The valves to be installed will be 10 inch ANSI 600, flange end by flange end, full port, quarter turn ball valves and 10 inch ANSI 600 flange end by flange end, swing check valves. These valves will be manufactured in accordance with API Standard 6D. The MAOP of each valve will be 1440 psig.

The proposed pipeline will meet US Department of Transportation regulations, specifically the design criteria outlined in 49 CFR 195.100, constructed per 49 CFR 195.200 operated and maintained per 49 CFR 195.400.

4.6.3 TRAINING AND UTILIZATION OF AVAILABLE LABOR IN THIS STATE FOR THE GENERAL AND SPECIALIZED SKILLS REQUIRED

Pipeline construction is a specialized niche construction market and the labor force needed to build the Project will be primarily comprised of a non-local workforce. The primary contractor will be a non-local contractor, supplying specialized skilled labor. Bear Paw will draw upon the local labor force to supply general laborers. The workforce is anticipated to reach a peak of approximately 100 personnel of which up to 10 percent could be drawn upon locally.

4.6.4 ECONOMIES OF CONSTRUCTION AND OPERATION

Bear Paw will invest approximately \$24 million to develop this Project, generating approximately \$350,000 of additional ad valorem tax revenues annually. Once constructed and in-service, the continued costs of maintenance and operation of the proposed pipeline are minimal. While the GCP itself will not generate any direct tariff revenues, it is estimated the gross NGL product value produced at the Plant and transported through the GPC will be in excess of \$100 million annually, generating significant producer, royalty and state tax revenues in the most minimally intrusive and most efficient way possible.

4.6.5 USE OF CITIZEN COORDINATING COMMITTEES

Bear Paw has established and maintained a good relationship with the local residents through its long-term regional presence operating various assets in the area. Through these relationships Bear Paw has maintained several grass roots communication channels to inform local residents regarding the developments associated with the Project.

On May 11 and 12, 2011, Bear Paw conducted a series of informational meetings with the local government leaders in the project area. The purpose of these meetings was twofold, first for Bear Paw to provide first hand project information to the local government officials; and secondly for these officials to express and identify their project specific concerns to Bear Paw. The following meetings were conducted:

- May 11, 2011 – McKenzie County Commissioners;
- May 11, 2011 – Watford City Chamber of Commerce and City Council;
- May 11, 2011 – Alexander City Council; and

- May 12, 2011 – Arnegard City Council.

Please see Appendix C for detailed meeting minutes and topics discussed.

4.6.6 COMMITMENT OF A PORTION OF THE TRANSMITTED PRODUCT FOR USE IN THIS STATE.

The proposed Project will interconnect with existing facilities. The products that are currently handled, transferred, and shipped at these facilities are currently delivered to markets both in State and out of state.

4.6.7 LABOR RELATIONS

Bear Paw maintains positive labor relations with its staff and contract work force and does not anticipate encountering any adverse labor relations on this Project. The labor market in the Project area is supportive of the oil and gas industry.

4.6.8 THE COORDINATION OF FACILITIES

Bear Paw owns and operates all of the affected facilities, coordination will be seamless and executed from within Bear Paw's internal management systems.

4.6.9 MONITORING OF IMPACTS

Bear Paw has established and maintained positive landowner and community relationships throughout the region through its open communication and its commitment to corporate citizenship standards that are based on integrity. Bear Paw will monitor landowner concerns through its Right of Way department and will respond to all reasonable concerns. In a similar manner, Bear Paw will monitor community concerns and will respond to all reasonable concerns brought to its attention by local community leaders. Bear Paw will select a primary contractor for construction of the Project, and will coordinate with this contractor the oversight responsibilities for construction activities throughout the Project. Environmental responsibilities shall be coordinated in the same manner.

4.6.10 UTILIZATION OF EXISTING AND PROPOSED ROW AND CORRIDORS

The proposed Corridor reflects Bear Paw's preference to site the proposed pipeline in established utility corridors. The Corridor and related Route would utilize existing rights-of-ways for approximately 31% (19.6 miles) of the total route, of which 100% are currently operated and maintained by Bear Paw and limiting "Greenfield" development to 44.7 miles in North Dakota.

4.6.11 OTHER EXISTING OR PROPOSED TRANSMISSION FACILITIES

Bear Paw is currently in the preliminary planning phase of a proposed NGL transmission pipeline. This proposed project would originate from an asset under development in Williams County, North Dakota. Appendix F contains Bear Paw's 10-Year Plan.

SECTION 5: MITIGATIVE MEASURES

5.1 LOCATION

The selection of the proposed Corridor was a multi-disciplinary effort which included socioeconomic, environmental, logistics, engineering and financial considerations. The Corridor described in this application maximizes the use of established utility corridors, maximizes the Bear Paw's opportunity to access existing infrastructure and operating assets, minimizes landowner impacts, and minimizes environmental impacts.

Landowner considerations factored into the Corridor selection. The proposed Corridor limits the number of potentially affected landowners while providing potential routing opportunities that would further minimize individual impacts to current land practices. All affected landowners would be compensated for project impacts through negotiated easement agreements and settlements for seasonal crop losses.

Bear Paw proposes to site this pipeline in established utility corridors for approximately 31% of the route, of which 100% are rights-of-ways currently operated and maintained by Bear Paw. Additionally, the proposed route makes use of existing easements on federal lands which represent approximately 12.8 miles, effectively reducing impacts to private landowners. This approach to siting the proposed pipeline effectively avoids many impacts associated with "Greenfield" development and the creation of new utility corridor across the landscape.

The proposed Corridor selection was influenced by environmental studies that suggested the area lacked sensitive features such as critical wildlife habitat, major wetlands or waterbodies, or other unique environmental features. The proposed Corridor will allow routing options that will further minimize waterbody crossings and potentially avoid at least one waterbody crossing entirely. In addition to these routing considerations, compliance with environmental permits procured for the project will serve to effectively mitigate the impacts of construction along the final approved route. Standard pipeline construction techniques will involve temporary impacts, but long term or permanent impacts will be avoided through implementation of modern construction techniques, adherence to permit requirements, and avoidance of sensitive features identified during routing studies.

Bear Paw owns and operates several assets in the region. Planning and development of these assets are conducted in a manner that maximizes the benefits to the region's resources. The proposed Corridor and Route will allow Bear Paw to draw upon existing pipeline and facility assets in the region. While siting is typically conducted on an individual, project specific basis, Bear Paw's logistical planning includes consideration for potential inter-connects with existing infrastructure to gain and maximize operating functionality. Inter-connects are desirable and may allow

continued operations when portions of the system may be out of service for maintenance.

The proposed Corridor and ensuing Route will also have logistical benefits. Pipelines that are properly installed, marked and collocated in an established right-of-way are more visible due to proximity to other utilities and are therefore less likely to experience third party strikes. Once GCP is operational, Bear Paw would realize logistical benefits associated with monitoring pipeline cathodic protection, leak detection and right-of-way maintenance.

5.2 CONSTRUCTION

The proposed construction of the pipeline will be conducted in an orderly sequence designed to complete the project in the minimum amount of time required to safely prepare the site, install the pipeline and restore the areas disturbed by construction.

Bear Paw anticipates the project will be constructed in three (3) segments or Spreads:

- Spread 1 (S1) from the Plant (MP 0.0) to MP 36.8,
- Spread 2 (S2) from MP 36.8 to the Montana and North Dakota border (MP 54.2),
and
- Spread 3 (S3) from the North Dakota border (MP 54.2) to the Terminal (MP 63.2)

This will allow the project to proceed as approvals are received, in a manner that is orderly, efficient and fully compliant. Construction is estimated to require a minimum of 45 days per spread with restoration to immediately follow. Construction techniques will be employed that minimize the area of ground disturbance, off site deposition of sediments and long-term impacts to agricultural productivity. Construction activities shall conform to all applicable permit stipulations; these requirements are mandated by the agency and implemented by the project sponsor for the purpose of minimizing impacts to the environment.

Restoration will immediately follow pipeline construction. Final grading will restore the original contours of the land. Disturbed areas will be prepared for re-seeding and restoration will be coordinated to meet landowner specifications.

5.3 OPERATION

Once constructed and put into service, the proposed pipeline will operate continuously delivering NGL from Bear Paw's Garden Creek Gas Processing Plant to its rail terminal located south of the town of Sidney in Richland County, Montana. Normal pipeline operations are imperceptible to the general public as they are silent, buried and therefore not visible, and require only minimal above ground activity. Standard operating procedures will conform to DOT standards and requirements, as such

periodic inspection and maintenance of the right-of-way will likely be required to remain in compliance.

SECTION 6: LIST OF PREPARERS

Russ Clark, P.E.

Project Engineer

ONEOK Partners, 100 W. Fifth Street, Tulsa, OK 74103

B.S. Chemical Engineering, Montana State University - Bozeman

Mr. Clark has worked as an engineer in the petroleum and natural gas industries for 10 years. As a process engineer, he has designed and overseen the implementation of several natural gas projects in the past two years. Mr. Clark is a licensed Professional Engineer by examination in the State of Colorado.

Judith Cooper. Ph.D.

Archaeologist/ Principle Investigator

SWCA, Inc., 116 North 4th Street, Suite 200, Bismarck, ND 58501

Ph.D. and M.A. Anthropology, Southern Methodist University and B.A. Anthropology, Pennsylvania State University. Dr. Cooper has over ten years of experience in North American archaeology and has worked on field (survey, testing, and recovery) and research projects in the northern Great BPE and Rocky Mountains. Dr. Cooper is experienced in federal and state cultural resources law and regulations, including Section 106 of the National Historic Preservation Act. As the Cultural Resources Lead in the SWCA's Bismarck office, she serves as a member of multi-disciplinary project teams to assure cultural resource concerns are appropriately addressed during the regulatory process.

William McCarthy, C.W.B.

Senior Environmental Compliance Analyst

E3 Environmental, LLC, 817 Vandalia Street, St. Paul, MN 55114

M.S. Wildlife Biology, University of Minnesota – Twin Cities; and B.S. Wildlife Biology, Michigan State University. Mr. McCarthy is an environmental compliance analyst with 15 years of environmental consulting experience working with various energy assets and regulatory agencies. As a compliance analyst he has managed the environmental requirements for facility siting, pipeline routing, federal licensing, and various federal, state and local permits. Mr. McCarthy is a certified wildlife biologist and in this role conducts and coordinates field studies, agency consultations, mitigation and avoidance plans.

Katie Schmidt, EIT

Environmental Engineer and Compliance Analyst

E3 Environmental, LLC, 817 Vandalia Street, St. Paul, MN 55114

B.S. Civil Engineering with an emphasis in Environmental Engineering-Iowa State University. Ms. Schmidt has pursued a career focused on regulatory compliance. Her experience includes providing permitting and compliance support associated with maintaining assets for safe and reliable distribution and transmission of energy throughout the continent. Ms. Schmidt has developed a broad working knowledge of NPDES construction stormwater compliance by working with distribution systems located in MN, OK, TX, LA and AR. Ms Schmidt also has extensive experience working with transmission assets involving COE permitting, ESA and SHPO consultations.