

October 2, 2013

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



Dear Mr. Fahn:

Carlson McCain, Inc. (CMI) conducted an onsite inspection of the Hess Corporation (Hess) Tioga NGL Pipelines Project (Case No. PU-11-104) on September 25, 2013, on behalf of the North Dakota Public Service Commission (PSC). The project consists of installing 3.6 miles of pipelines (three natural gas liquid pipelines), which will connect the Tioga Gas Plant to the Tioga Rail Terminal (TRT). The project is being referred to as the Tioga Natural Gas Liquids Project (TNGL or Project).

CMI Inspector Ryan Krapp met with Antoine Wright, Hess Environmental, Health and Safety (EHS) Advisor, at the TRT field office to review construction progress of the TNGL.

Construction progress outlined in weekly reports submitted since Project construction commenced the week of August 5, 2013, was reviewed and discussed. In the latest weekly construction progress report (week ending September 21, 2013), Hess reported 89.5% of the ROW has been cleared and graded, and 70% of the pipelines have been installed and backfilled, with 0% of the ROW reclaimed. Boots and Smith Oilfield Services, LLC (Boots and Smith) is the contracted pipeline installer. The Storm Water Pollution Prevention Plan (SWPPP) biweekly required reports maintained by Boots and Smith were not immediately available for review. Mr. Wright said that regular inspections had been occurring and he would ensure that reports will be in order for review and PSC submittal. Mr. Wright discussed environmental and safety practices being implemented.

Mr. Wright and Mr. Krapp proceeded to the ROW to view construction procedures and progress. Roy Nelson, Hess Construction Manager, was met along the ROW and was also consulted on construction details. Inspection notes and photos taken along the ROW are attached to this letter.

Field Review

Weather conditions at the time of the field visit were partly cloudy, 65 degrees, with light wind. ROW soil surfaces were dry. As noted in the weekly progress reports, multiple phases of construction were underway.

Along the ROW, horizontal directional drill (HDD) locations of roadways and stream crossings were observed. The entries and exits of HDD pits required dewatering to allow a safe construction area. The discharge was placed into temporary dewatering pits constructed of the soils from the trenching to allow for sediment catch and water evaporation. All dewatering pits were sound and functioning as designed.

Construction Inspection Summary
Hess Tioga NGL Pipelines Project - Williams County
PSC Case No. PU-11-104

The ROW width at the two stream crossings were minimized to only the necessary crossing width of construction equipment. Wooden matting was appropriately placed within the wetland/stream area to minimize compaction and additional surface disturbance.

Silt fencing was established in most appropriate areas along the ROW. However, a few areas (immediately above the stream crossing/wetland areas, at one ephemeral drainage crossing, and HDD pits above the stream crossing) required additional erosion control devices (ECDs) or silt fence maintenance (see notes and figures). None of these areas had any soil erosion or sediment transfer into sensitive areas or outside of the staked ROW. These areas were pointed out and discussed with Mr. Wright and Mr. Nelson. They agreed and contacted the Boots and Smith maintenance crew to address immediately. All the areas recommended for placement of additional ECDs or maintenance were reported as completed by Mr. Wright on September 26 (see attached email correspondence).

Trenching that exposed several foreign pipeline crossings was observed, pipelines were strung, welding and pipeline lowering was occurring, and portions of the ROW were already backfilled and the topsoil redistributed.

Areas of concern identified by the inspector and discussed with Hess personnel after inspection included:

- 1) Ensure temporary ECDs are established/maintained in ROW work areas pointed out during field inspection
- 2) Ensure SWPPP inspections and reporting is done biweekly or after rainfalls ≥ 0.5 inches

Please contact me at 701-595-7003 if you have any questions or comments.

Respectfully submitted,



Ryan J. Krapp
Natural Resource Specialist

cc: Mr. Antoine Wright - EHS Advisor, Hess Corporation
Mr. Roy Nelson - Construction Manager, Hess Corporation

Attachments: Figures, notes and correspondence



Figure 1. Photo taken of ROW looking south from 67th Street NW. The HDD bore pit work area and foreign line crossing is visible.



Figure 2. Photo of dewatering pit constructed of trench sub-soils within the ROW. These temporary sediment catchments will be reclaimed as HDD bore is complete and pits are backfilled.



Figure 3. Photo of first stream crossing south of 67th Street NW. ROW width has been reduced and HDD bore has taken place.



Figure 4. Wooden mats are in place for equipment to traverse the stream/wetland area. Additional silt fence or other ECD was recommended at both ends of crossing to reduce chance of sediment migration.



Figure 5. Silt fencing damaged by construction equipment from recent HDD pit digging which was in need of maintenance. Hess EHS Advisor assured maintenance will occur immediately.



Figure 6. Photo of ephemeral drainage crossing. Steel drain pipe is in place; however, the entrance was covered with soil and may have prevented proper drainage.



Figure 7. Silt fence improperly installed directly above stream/wetland complex. No sediments had washed through. Hess EHS Advisor assured maintenance will occur immediately.



Figure 8. Additional silt fencing recommended to be installed along downslope of ROW just east of Highway 40 crossing.



Figure 9. Photo of wooden matting placed to minimize surface impact of stream/wetland crossing west of Highway 40. Additional silt fencing was recommended at crossing entrances and below the HDD bore pit.



Figure 10. Photo of temporary access road built up along the edge of a wetland complex. Additional ECDs recommended to reduce potential sediment deposition into wetland.

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Figure 11. Photo of ROW in which pipeline installation has occurred and topsoil has been redistributed across ROW (except for on utilized access route).



FIELD INSPECTION LOG

DAILY LOG

DATE 9 25 2013
SHEET 1 OF 3

PROJECT NAME: Hess: Triega NGL - (TRT-TGP) CASE NO. PU 11-104

FIELD ACTIVITY SUBJECT: Audit #1

NOTES: 3.6 miles - 3 pipelines (2-6in, 1-8in) Gas Plant to Rail Terminal

- Meeting on-site w/ Mr. Antonie Wright EHS 10:30 am
- Triega Rail Terminal (TRT) Orientation + Safety

NGL ROW visit started at BNSF crossing south of TGP #1

- Boring of RR nor ROW work north of tracks has not taken place to date
- Foreign lines exposed, NGL pipes to be laid under #2
- Portions of line installed + back-filled
- Dewatering containments along line for trench dewatering activity
 - appropriately maintained/constructed #3
- HDD boring of county road complete

1st HDD stream crossing - ROW crossing reduced #4,5,6

- Wooden mat bridge - silt fencing needs some repair
- Install silt fencing down side of south bore pit

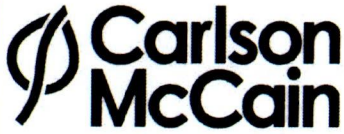
EHS stated it will be completed immediately (cont.)

LATITUDE, LONGITUDE	CHANGES FROM PLANS AND SPECIFICATIONS
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WEATHER CONDITIONS P. Cloudy - 65° L+.w.w.d	PHOTO(S) # Yes
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CARLSON MCCAIN PERSONNEL ON SITE Ryan Krapp

SIGNATURE



FIELD INSPECTION LOG

DAILY LOG

DATE	9	25	2013
SHEET	2	OF	3

PROJECT NAME: Hess: Tioga NGL (TRT-TGP) CASE NO. PU-11-104

FIELD ACTIVITY SUBJECT: Audit #1

NOTES:

ROW cleared & pipe string near stream & wetland
 NRAWET 4 - direct impacts avoided
 - along ROW silt fencing installed but opening/break at bottom
 * Required correction, to be completed immediately
 - EHS assured fix
 - Ephemeral drainage pipe plugged up stream by soil
 - Ensure flow to prevent back up / wash out

East of Hwy 40

- Silt fencing established bottom of ROW
- a portion missing to be installed @ 250'
- HDD bore pit to fenced once initiated

* Discussion had about bi-weekly SWPPP inspection & report to submit to PSC

LATITUDE, LONGITUDE	CHANGES FROM PLANS AND SPECIFICATIONS
WEATHER CONDITIONS	PHOTO(S) * Yes

CARLSON MCCAIN PERSONNEL ON SITE Ryan Koger

SIGNATURE [Signature]



FIELD INSPECTION LOG

DAILY LOG

DATE 9 25 2013
SHEET 3 OF 3

PROJECT NAME: Hess/Toga NGL (TRT-TGP) CASE NO. PU-11-104

FIELD ACTIVITY SUBJECT: Audit #1

NOTES: West of Hwy 40

- HDD bore of meandering stream - NRA W11-13
- silt fencing missing below bore pit *
- + fill slope of access road
- * will be installed immediately
- wooden matting across wet area ✓ *

- HDD Road crossing ✓
- Dewatering trenches good BMP's ✓ *

HPD Boring into TRT starting ✓

Review

- Four areas that needed additional ECD's or minor repairs @ Stream crossings + bottoms of fill slopes
- Mr. Wright (EHS) committed to ensuring ECD's will be in place + functional in 2-5 days.

LATITUDE, LONGITUDE
*

CHANGES FROM PLANS AND SPECIFICATIONS

WEATHER CONDITIONS

PHOTO(S) *
Yes

CARLSON MCCAIN PERSONNEL ON SITE Ryan Krupp

SIGNATURE

From: [Wright, Antoine](#)
To: [Siemieniowski, Victoria](#); [Sund, Vicky](#); [Ryan Krapp](#)
Cc: [Nelson, Roy](#); [Suwansathit, Suwat](#); [Corneliusen, Eric](#); [Jackson, Murray](#); [Lauf, Ben](#); [Herda, Brandon](#); astearns@dpitx.com; [Epperson, Brian K.](#)
Subject: NDPSC Audit
Date: Thursday, September 26, 2013 7:36:17 PM

Group,

Good evening. On the Wednesday the 25th of September we had an audit with the state representative, Ryan Krapp for the NDPSC. The audit consisted of 3.6 miles of pipelines on the Right-of-Way for the TGP and the TRT. There were several areas of opportunity during our walkthrough that were identified.

*Stream crossing south of TGP East of HWY 40

- Minor silt fence repair (completed)
- Install silt fencing down slope south of bore pit (completed)

*Ephemeral drainage pipe plugged on the upstream side due to excavation of roadway (drain pipe unplugged/completed)

- silt fencing 40' north of drain pipe not connected (repaired/completed)

*Silt fence missing a 200-250' section east of HWY 40 (repaired/completed)

*West of HWY 40

- Silt fencing missing below bore pit and west of crossing on the fill slopes (completed/repaired)

All above items have been corrected and installed according to BMP's . There will be an official report distributed by the NDPSC representative by next week to all within this email chain. If you have any questions please feel free to contact me at any time by phone or email. Thanks to all for your support and continued efforts.

Sincerely,

Antoine Wright
EHS Advisor

Hess Corporation

10384 68th Street Northwest
Tioga, North Dakota 58852

Cell: 828-702-0089