

May 27, 2014



HAND DELIVERED

Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 East Boulevard Avenue
Dept. 408
Bismarck, ND 58505-4080

**RE: Hiland Crude, LLC —
Case Number PU-13-136**

Dear Mr. Nitschke:

Enclosed for filing, please find enclosing for filing an original and ten (10) copies of the following:

- Errata sheets for pages 23, 28, and 40 of Hiland Crude, LLC's Route Application, Docket Item No. 6, Tab 3.

Also enclosed is a CD containing the above-referenced documents in electronic format.

If you should have any questions, please advise.

Sincerely,

JILLIAN R. RUPNOW

JRR/mjb
Enclosures

50641392_1.docx

TABLE 3.B.3 – Avoidance Areas

Avoidance Area	Within Study Area	Crossed By Route	Description of Avoidance Area and Proposed Buffer
Designated or registered national: historic districts; wildlife areas; wild, scenic, or recreational rivers; wildlife refuges; and grasslands	None	None	
Designated or registered state: wild, scenic, or recreational rivers; game refuges; game management areas; management areas; forests; forest management lands; and grasslands	None	None	
Historical resources which are not specifically designated as exclusion or avoidance areas	Yes	Yes	Significant archeological sites within the study corridor are summarized in Section B.2 (i) and discussed in detail in the report in Tab 4 Appendix 4.A.
Areas that are geologically unstable	None	None	
Within five hundred feet [152.4 meters] of a residence, school, or place of business	Yes	None	20 residences are within 500 feet of the pipeline or its support structures. Waivers were obtained from all but five landowners.
Reservoirs and municipal water supplies	Yes	Yes	The Missouri River is the water source for multiple municipalities.
Water sources for organized rural water districts	Yes	Yes	The Missouri River is the water source for multiple municipalities.
Irrigated land	N/A	N/A	Not applicable for underground transmission facilities.
Areas of recreational significance which are not designated as exclusion areas	None	None	

B.4 (b) Selection Criteria (North Dakota Administrative Code, Section 69-06-08-02(3))

The North Dakota Administrative Code specifies several selection criteria to be considered in designating a transmission corridor or route. Specifically, the Commission considers whether adverse effects from the location, construction, and maintenance of the facility as they relate to the selection criteria will be at an acceptable minimum, and whether these effects will be managed and maintained at an acceptable minimum. Potential impacts, as they relate to each of the selection criteria, are discussed below. Measures Hiland has implemented, and will implement, to minimize these impacts are noted below and discussed in greater detail in Section B.6.

The Little Muddy, Ray, and Trenton Aquifers in Williams County vary in quality with types ranging from sodium bicarbonate to calcium magnesium sulfate. The Little Muddy and Ray aquifers generally flow southward in the Project area. The Trenton Aquifer generally flows northeast.¹¹

The White Earth River Valley in Mountrail County has hard sodium sulfate and hard sodium bicarbonate. Recharge to the White Earth River Valley aquifer is generally from the undifferentiated Fort Union group and discharge is mainly by seepage into the White Earth River, which flows southward to the Missouri River.

Further aquifer details are provided in Section B.4 (k)(1) Water Resources-Groundwater.

Groundwater flow could potentially be altered by pipeline construction through blasting and trenching activities. However, no exposed bedrock or areas of shallow bedrock have been encountered, therefore blasting has not been done, nor is it anticipated. Trenching may have temporarily disturbed the level of groundwater and increased the sediment in the groundwater. However, given the shallow depth of construction activities and the relatively deep location of the area's aquifers, installation of the proposed pipeline did not have a significant effect on regional groundwater flow patterns.

Groundwater may be affected by accidental discharges of regulated materials, such as fuel, lubricants, and coolants used during construction. Hiland's Environmental Mitigation Plan (EMP) located in Tab 5 and supporting diagrams in Tab 6 outline precautions that Hiland takes to prevent sedimentation or other materials from entering the water supplies in the area. Project contractors must have a current oil spill prevention control and countermeasure (SPCC) plan and implement it fully if the facility contains an aggregate oil storage capacity above 1320 gallons, consistent with US Environmental Protection Agency requirements outlined in 40 CFR 112. Regardless of the total storage capacity, no bulk oil storage facilities will be sited within 100 feet of surface water.

B.4 (b)(6) Impact on Noise Sensitive Land Uses

Twenty residences are located within 500 feet of the Project. No other sensitive noise receptors, such as schools or hospitals, are located in the vicinity of the Project. During construction, residences in close proximity to the construction experienced short-term increases in construction-related noise. The heavy construction equipment needed to construct the Project generated short-term increases in ambient noise levels. Increases in ambient noise levels due to heavy equipment operation were limited to the period of construction, typically during daylight hours.

No additional significant noise is expected to be generated by the Project during normal operations. Mid-route stations are proposed to be added boost capacity. These mid-route stations may include a truck terminal, 50,000 gallon tank, and pump facility. Proposed station locations are McGregor Station, Tioga Terminal, White Earth Injection Station, Epping Injection Station, Bethel Injection Station, Trenton Station, Bainville Injection Station, Camp Creek Injection Station, Watford Injection Station, East Camp Creek Injection Station, and Johnsons Corner Station. Pump facilities are currently only planned at Tioga Terminal, Camp Creek

¹¹ Armstrong, C.A., 1969, Geology and Ground Water Resources Williams County, North Dakota: North Dakota Geological Survey Bulletin 48, Part III, and North Dakota State Water Conservation Commission County Ground Water Studies 9; 82p.

reported capacity is 830,000 barrels of oil per day to Gulf Coast and Midwest refineries.¹⁴ If Keystone XL is built, True Oil Company's Thunderbird pipeline, the BakkenLink pipeline, and Hiland's Double H pipeline are all expected to proceed with connections at Baker, Montana to ship crude to Gulf Coast refineries.

B.4 (d) Design and Construction Limitations

See Section A.3 of the Certificate of Corridor Compatibility Application (see Tab 1).

B.4 (e) Economic Considerations

See Section B.2 (g) of this Route Permit Application and Section C of the Certificate of Corridor Compatibility Application (see Tab 1).

B.4 (f) Human Environment

The Project area is sparsely populated and ranching and farming are the predominant economic activities. The pipeline route crosses 566 parcels of land owned by 251 different landowners. The route does not pass through parks or recreational areas. The Project route does pass within 500 feet of twenty residences. Hiland has obtained waivers from all but five residences, which are located approximately 260 to 275 feet from the existing pipeline.

The majority of the Project route is located on private land, and landowner concerns and routing preferences were addressed during all phases of construction, including final restoration. Land agents assigned to the Project work closely with landowners and are responsive to issues that arise during the course of the Project to the extent practicable. Hiland has finalized easement agreements with all landowners along the route.

No municipal water supplies or production water wells were identified within the survey corridor. While a domestic water well does not meet the definition of a "municipal water supply" or a "water source for organized rural water districts," the following three domestic wells were identified within 500 feet of the route: 151-104-04 AAA; 152-104-24 CDC; 157-095-29 CCC.

Small portions of the Project are located on land under the jurisdiction of the State of North Dakota. However, no permanent population resides in this area.

The pipeline does transect two U.S. highways, US-2 and US-85, and two North Dakota highways, North Dakota-58 and North Dakota-23. Of the 32 county roads or highways crossed, all are improved county roads (i.e., gravel or asphalt). The pipeline crosses an additional 110 asphalt, gravel, or scoria roads. Improved roads were crossed via HDD. Through traffic was not disrupted during the boring process. Forty-two two-track vegetated trails were open cut. The open cut trails were temporarily disrupted during the Project.

Road crossings for the route are summarized in Table 3.B.6.

All roads and section line crossings were subject to review and approval by the County Engineer and County Commissions. Applications were submitted and permits obtained for the road crossings prior to the start of construction.

¹⁴ TransCanada. "Keystone XL Pipeline". Available at: <http://keystone-xl.com/about/the-project/> (accessed on August 8, 2013).