



**BAKKEN OIL EXPRESS
PIPELINE PROJECT**

INTERIM CONSTRUCTION INSPECTION REPORT

GENERAL INFORMATION

Inspector Name: Dave Hennen, ProSource Technologies	Inspection Date: 3-12-14	Report Number: PU-13-825
Weather: Sunny, 45 degrees F	Precipitation: 0.00	

DAILY CONSTRUCTION ACTIVITIES

ProSource Technologies (ProSource) conducted the first Interim Construction Inspection on behalf of the North Dakota Public Service Commission, for the Bakken Oil Express (BOE) Pipeline Project (Project) on March 12, 2014. The Project would receive crude oil from a pump station southwest of Killdeer, North Dakota, and traverse generally south approximately 38 miles to the BOE Rail Hub, southwest of Dickinson, North Dakota. Construction of the Project commenced on January 13, 2014. At the time of the Interim Construction Inspection, construction activities of the Project had progressed approximately 15 miles to approximate Station 800+00. According to the Weekly Progress Report for the week ending 3-8-14, 33% of the right-of-way was cleared and pipe stringing was 28% complete.

Mr. Dave Hennen, ProSource, met with Mr. Tom Stark, the Chief Inspector from MBF Inspection Services, Inc. for the construction inspection. Following the morning inspection meeting, Mr. Hennen inspected the pipe storage yard. Current activities at the pipe storage yard included loading pipe for delivery to the right-of-way and inventory management tasks. No issues were observed at the pipe storage yard.

After inspecting the pipe storage yard, Mr. Hennen and Mr. Stark conducted an inspection of the construction right-of-way. The inspection began on the south end of the route at approximate Station 800+00. As the inspection continued to the north, concerns that were observed included mixing of topsoil and subsoil piles, rutting, insufficient erosion control devices, and spoil piles extending outside of the identified work area. There were no wetland signs observed in the field; however, the wetland locations are depicted on the construction alignment sheets. According to the Route Siting Application, BOE will be using horizontal directional drilling (HDD) to construct across all wetlands and streams.

Due to the time of year and the changing weather conditions from extreme cold to above freezing temperatures, rutting was observed in multiple locations. Mr. Hennen and Mr. Stark discussed the placement of additional timber mats in areas of significant rutting, specifically adjacent to waterbody crossing locations. Silt fence was not observed along the Project route because of the frozen ground conditions, and construction work area identification markers had fallen down in some areas. It is recommended that silt fence be installed where appropriate when the ground conditions are favorable, and right-of-way boundary markers be replaced as necessary.

Concerns and Corrective Actions

- Construction workspace markers (Photo 2)
 - Monitor and replace workspace boundary identification markers.
- Mixing of topsoil and subsoil piles (Photos 3-4)
 - Allow for space between topsoil and subsoil piles to avoid mixing.
- Rutting in several locations (Photos 5-6)
 - Discussed mitigation measures including the placement of additional timber mats.
- Lack of silt fence (Photo 7-8)
 - After the ground thaws, consider placing silt fence adjacent to water resources and HDD spoil piles.
- Spoil placement outside of identified work areas (Photos 9-10)
 - Contain work activities to staked right-of-way boundaries.

SIGNATURE

Inspector Name: Dave Hennen	Signature:	Date: 3-21-14
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PHOTOGRAPHS



Photo 1 – Pipe Storage Yard



Photo 2 – Construction Staking to be Replaced

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Photo 3 – Mixing of Topsoil & Subsoil Piles



Photo 4 – Mixing of Topsoil & Subsoil Piles

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Photo 5 – Rutting Along the Right-of-Way



Photo 6 – Rutting and Recommended Placement of Timber Mats

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Photo 7 – HDD Spoil Pile with No Erosion Control Devices



Photo 8 – HDD Spoil Pile with No Erosion Control Devices

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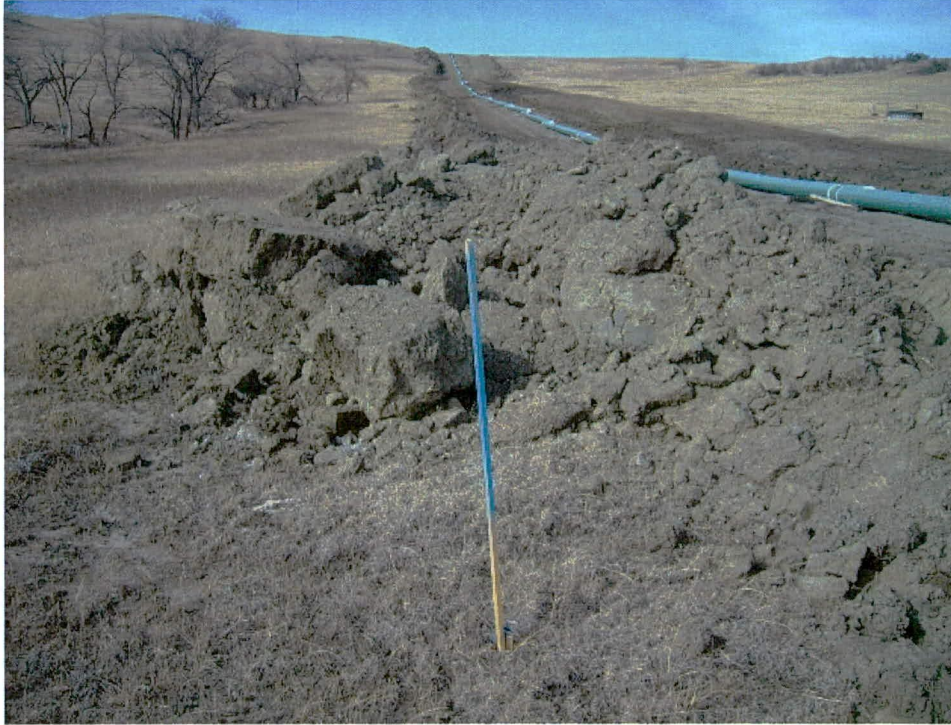


Photo 9 – Spoil Placed Outside of Identified Right-of-Way



Photo 10 – Spoil Placed Outside of Identified Right-of-Way