

**Targa Badlands LLC  
New Town and Stanley Crude Oil Pipeline  
and Tank Facilities Project  
Post-Construction Inspection Report**

**December 28, 2016  
Case No. PU-14-625**



**Prepared for:**



**Prepared by:**

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**Post Construction Inspection Report**

ProSource Technologies, Inc.

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## 1.0 EXECUTIVE SUMMARY

The North Dakota Energy Conversion and Transmission Facility Act (North Dakota Century Code Chapter 49-22) authorizes the Public Service Commission (Commission) to determine that the location, construction, and operation of jurisdictional energy conversion and transmission facilities will produce minimal adverse effects on the environment and the welfare of the citizens of North Dakota. Commission construction inspections ensure that projects are constructed in compliance with the siting laws (North Dakota Century Code Chapter 49-22) and rules (North Dakota Administrative Code Article 69-06) and applicable Commission Orders.

The Commission retained ProSource Technologies, LLC (ProSource) to complete construction inspections of the New Town and Stanley Crude Oil Pipeline and Tank Facilities Project (Project), Case No. PU-14-625, which was constructed by Targa Badlands LLC (Targa), in Mountrail County, North Dakota. The Project includes a 31.7-mile, 8-inch diameter crude oil gathering pipeline and tank facilities in New Town and Stanley.

The Combined Corridor Compatibility and Route Permit Application (Application) filed with the Commission by Targa in July 2014 requested the Commission to authorize the conversion of the New Town to Stanley segment of its gathering system to a “transmission” pipeline as defined in the North Dakota Century Code, Section 49-22-03. According to the Application, the following is a timeline of construction activities:

- June 1, 2013 – Construction commencement of the pipeline and New Town tank facility.
- August 15, 2013 - Construction commencement of the Stanley Tank facility.
- November 1, 2013 – Completed construction of the pipeline.
- April 11, 2013 – Completed construction of the New Town Tank facility.
- June 6, 2014 – Completed construction of the Stanley Tank facility.
- October 4, 2013 – Commenced testing and commission of the pipeline.
- May 12, 2014 – Commenced testing of the New Town Tank facility.
- November 11, 2013 – Commenced operation of the pipeline.
- July 15, 2014 – Commenced operation of the Stanley Tank facility.

The Commission issued a Certificate of Corridor Compatibility and Route Permit on January 26, 2015. The Commission retained ProSource to conduct a Post-Construction inspection because construction of the Project had been completed prior to the approval of the conversion of the pipeline gathering system to “transmission” pipeline. ProSource conducted the inspection on November 17, 2016. ProSource prepared this report to document the post-construction inspection and to provide a summary of compliance with the Commission Orders.

The purpose of the post-construction inspection was to observe current site conditions at the Project areas, and to ensure the Project was constructed in compliance with the siting laws and rules and the Findings of Fact, Conclusions of Law and Order for Case No. PU-14-625 dated January 26, 2015. Photographs taken during the site inspection are included in Appendix A. Prior to the construction inspection, ProSource reviewed Project documents and filings.

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Commission Order No. 31 requests drawings to be submitted within three months of commencement of operation of the facility as a transmission facility. A review of the Project docket files indicated that the engineering drawings were filed on October 7, 2015, more than three months after commencement of operation of the facility as a transmission facility. Overall, the Project was in satisfactory condition and was constructed as planned with efforts to minimize impacts. The inspection did not identify issues of non-compliance. Based on the inspection and review of the records, with the exception of the late filed drawings, the Project was constructed in compliance with siting laws and rules and applicable Commission Orders.

## 2.0 BACKGROUND AND SCOPE

On July 18, 2014, Targa Badlands LLC (Targa) filed applications in Case No. PU-14-625 with the Commission for a certificate of corridor compatibility and a route permit to authorize the conversion of an existing crude oil gathering pipeline and associated facilities in Mountrail County, North Dakota, to a transmission system (Project). The Project consists of approximately 31.7 miles of pipeline and associated facilities, including a 30,000-barrel storage tank near New Town, North Dakota, and a 25,000-barrel storage tank near Stanley, North Dakota. From the Stanley storage tank, the crude oil is then delivered to North Dakota Pipeline Company LLC's terminal in Stanley. The Commission issued a decision approving a corridor and a route on January 26, 2015.

According to Project records, Targa indicated that the Project was originally planned to accommodate contracted delivery points in New Town and Stanley; however, the planned delivery points were not completed and Targa proposed instead to utilize the tank at New Town for operational storage. The Project includes an 8-inch diameter steel crude oil pipeline capable of transporting a maximum of 48,960 barrels per day. The pipeline has a maximum operating pressure of 1,480 pounds per square inch and was designed and constructed in compliance with Code of Federal Regulations Title 49 Part 195 hazardous liquids pipeline safety standards. The Project commenced operating as a gathering system in 2013.

According to Targa, there is a need for the facility based on the increase of crude oil production in the Van Hook Peninsula area of the Fort Berthold Indian Reservation. The purpose of the Project is to deliver gathered crude petroleum from the Van Hook Peninsula on the Fort Berthold Indian Reservation to the Enbridge terminal near Stanley. The existing pipeline was installed as part of a larger gathering system. The tank at New Town was constructed to facilitate planned delivery points and provides Targa with the ability to temporarily store oil if necessary.

This post-construction inspection report is based on a field inspection and a review of the Project information filed with the Commission. Section 3.0 describes the order conditions and compliance confirmation references.

### 3.0 ORDER CONDITIONS

#### Findings of Fact, Conclusions of Law and Order January 26, 2015

Order Number	Order Provision	Reference Confirmation
1	Company understands and agrees that any Certificate of Corridor Compatibility or Route Permit issued by the Commission will be subject to the conditions and criteria set forth in Chapter 49-22 of the North Dakota Century Code and Chapter 69-06-08 of the North Dakota Administrative Code, and that Company shall be responsible for compliance with this order and conditions and criteria set forth in the applicable laws and rules.	No issues of non-compliance were identified during the post-construction field inspection.
2	Company agrees to hold a preconstruction conference prior to commencement of any construction, which must include a Company representative, its construction supervisor, and a representative of Commission Staff, to ensure that Company fully understands the conditions set forth in the Commission's order.	The preconstruction meeting was held on February 11, 2015.
3	Company agrees to comply with the rules and regulations of all other agencies having jurisdiction over any phase of the transmission facility including all city, township, and county zoning regulations.	Targa agreed to comply with rules and regulations of all other agencies having jurisdiction over the facility.  Targa filed environmental permits with the Commission in Appendix D and Appendix G of its Combined Corridor compatibility and Route Permit Application on July 18, 2014 and in its late filed exhibits filed February 5, 2015.
4	Company certifies that it has obtained all necessary licenses and permits, and shall provide copies of all licenses and permits to the Commission.	Targa agreed to comply with rules and regulations of all other agencies having jurisdiction over the facility.  Targa filed environmental permits with the Commission in Appendix D and Appendix G of

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Order Number	Order Provision	Reference Confirmation
		its Combined Corridor compatibility and Route Permit Application on July 18, 2014 and in its late filed exhibits filed February 5, 2015.
5	Company agrees to inform the Commission and the Commission's third-party construction inspector immediately prior to the Company initiating operation of the facility as a transmission facility.	Targa provided notice during the February 11, 2015 pre-construction meeting of its intent to initiate operation of the facility as a transmission facility.
6	Company certifies that the pipeline has been buried to a minimum depth from the ground surface to the top of the pipe of 48 inches in range land, 48 inches for cultivated land, 48 inches at the bottom of the ditch for road crossings, and 72 inches across undeveloped section lines. Company agrees that if any pipeline is not buried 72 inches across undeveloped section lines, and the section line is later developed into a roadway, it will incur all costs related to burying the pipeline 48 inches below the bottom of the ditch, which shall inure and be binding upon any successor or assignee of the Company and shall not cause any unreasonable delay of any roadway project.	Targa agreed to this construction condition.
7	Company understands and agrees that any Certificate of Corridor Compatibility or Route Permit issued by the Commission is subject to suspension or revocation and may, in an appropriate and proper case, be suspended or revoked for failure to comply with the Commission's order, the conditions and criteria of the certificate or subsequent modification, or failure to comply with the applicable statutes, rules, regulations, standards, and permits of other state or federal agencies.	No issues of non-compliance were identified during the field inspection.
8	Company agrees to maintain records that will demonstrate that it has complied with the requirements of the Commission's order issuing a Certificate of Corridor Compatibility or Route Permit, and that it will preserve these records for Commission inspection at any reasonable time upon reasonable notice.	Targa has agreed to maintain the required records.

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Order Number	Order Provision	Reference Confirmation
9	Company has constructed and will operate the transmission facility in the manner described in Company's application, in any late filed exhibits, and supplemental materials (Application). To the extent there are any conflicts or inconsistencies between Company's Application and the provisions in this Certification Relating to Order Provisions, the Certification provisions control.	No issues of non-compliance were identified during the field inspection.
10	Company agrees to report promptly to the Commission the presence in the permit area of any critical habitat or threatened species, endangered species, bald eagles, or golden eagles of which Company becomes aware and which were not previously reported to the Commission.	No discoveries of threatened or endangered species were communicated to inspection staff.
11	Company certifies that all cultural resource mitigation plans have been submitted to and approved by the North Dakota State Historic Preservation Office.	Targa filed the cultural resource reports and correspondence letter from the State Historic Preservation Office in Appendix D of its Combined Corridor compatibility and Route Permit Application on July 18, 2014 and in its late filed exhibits filed February 5, 2015.
12	Company certifies that any cultural resource, paleontological site, archeological site, historical site, or grave site discovered during construction was marked, preserved and protected from further disturbances until a professional examination could be made and a report of such examination, if applicable, was filed with the Commission and the State Historical Society and clearance to proceed was given by the North Dakota State Historic Preservation Office.	<p>According to the Combined Corridor compatibility and Route Permit Application filed on July 18, 2014, twelve cultural resources were recorded during the pedestrian survey of the study corridor. Mitigation, including rerouting of the pipeline was completed to avoid sites that are or were considered potentially eligible for the National Register of Historic Places.</p> <p>No discoveries of cultural resources during construction were communicated to the inspection staff.</p>

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Order Number	Order Provision	Reference Confirmation
13	Company certifies that all buried facility crossings of graded roads were bored unless the responsible governing agency specifically permitted Company to open cut the road. In one instance, a landowner specifically requested the pipeline not be bored across a private section of road, which occurred between Township 155N, Range 91W, Section 23 and Township 155N, Range 91W, Section 14, Mountrail County, North Dakota.	Targa certified this condition.
14	Company certifies that all pre-existing township and county roads and lanes used during construction were, or are being, repaired or restored to a condition equal to or better than the condition prior to the construction of the transmission facility and accommodates their previous use, and that areas used as temporary roads or working areas during construction were, or are being, restored to their original condition.	Targa certified this condition.
15	Company certifies that construction was suspended when weather conditions were such that construction activities would cause irreparable damage to roads or land. Company agrees to provide information regarding any work on the pipeline performed under such weather conditions and the measures taken to provide adequate protection.	Targa certified this condition.
16	Company certifies that all topsoil, up to 12 inches, or topsoil to the depth of cultivation, whichever is greater, over and along trench areas where cuts were made, was stripped and segregated from the subsoil. Any area on which excavated subsoil was placed was also stripped of topsoil. After backfilling was completed, any excess subsoil was placed over the excavation area, blending the grade into existing topography. Topsoil was replaced over areas from which it was stripped only after the subsoil was replaced.	Targa certified this condition.
17	Company certifies that reclamation, fertilization, and reseeding was, or is being, done according to the Natural Resources Conservation Service recommendations, unless otherwise specified by the landowner and approved by the Commission.	Targa certified this condition.  No issues of non-compliance were identified during the field inspection.

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Order Number	Order Provision	Reference Confirmation
18	Company understands and agrees that its obligation for reclamation and maintenance of the right-of-way will continue throughout the life of the transmission facility.	Targa agreed that its obligation for reclamation and maintenance of the right-of-way will continue throughout the life of the transmission facility.
19	Company understands and agrees that its obligation for reclamation and maintenance of the transmission facility, associated facilities, and roadways will continue throughout the life of the transmission facility.	Targa has agreed to continue the reclamation and maintenance of these sites throughout the life of the transmission facility.
20	Company agrees to comply with the Tree and Shrub Mitigation Specifications, attached.	Targa agreed to comply with its Tree and Shrub Mitigation Specifications attached to the Commission's Order.
21	Company certifies all fences and gates removed or damaged during all phases of construction were repaired or replaced, and all fences and gates removed or damaged during operation of the transmission facility shall be repaired or replaced.	Targa certified this condition.
22	Company understands and agrees that it shall repair or replace all drainage tile broken or damaged as a result of construction and operation of the transmission facility.	Targa agreed to this condition.  No drainage tile issues were communicated to the inspector.
23	Company certifies that staging areas or equipment were not located on land owned by a person other than the Company unless otherwise negotiated with landowners.	Targa certified this condition.
24	Company certifies that it has removed all waste that was a product of construction and has properly disposed of it. Company understands and agrees that it shall remove all waste that is a product of operation, restoration, and maintenance of the site, and will properly dispose of it.	No issues of improper disposal of waste were identified during the field inspection.
25	Company understands and agrees that it shall, as soon as practicable upon the completion of the construction of the transmission facility, restore the area affected by the activities to as near as is practicable to the condition as it existed prior to the beginning of construction.	Restoration of the disturbed areas was acceptable, as observed during the post-construction field inspection.

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Order Number	Order Provision	Reference Confirmation
26	Company certifies that it provided any necessary safety measures for traffic control or to restrict public access to the transmission facility during construction.	Targa certified this condition.  The Targa storage facilities are fenced with controlled access.
27	Company understands and agrees that it shall advise the Commission of any extraordinary events which take place at the site of the transmission facility, including injuries to any person, or the death of any threatened or endangered species on the site within five business days of such event.	No extraordinary events were communicated to the inspection staff.
28	Company understands and agrees that, prior to operating its facility as a transmission facility, it shall send a letter to each landowner with whom an easement was executed for that location specifying the name and phone number of the company representative who is responsible for receiving and resolving landowner issues for the life of the easement.	Targa sent letters to landowners dated February 3, 2015 specifying the name and phone number of the company representative responsible for receiving and resolving landowner issues for the life of the easement.
29	Company understands and agrees that it will file with the commission the name and phone number of the current company representative who is responsible for receiving and resolving landowner issues for the transmission facility. The company will update this information whenever there is a change to the current company representative for the life of all easements for the transmission facility.	On February 4, 2015, Targa filed the name and phone number of the current company representative who is responsible for receiving and resolving landowner issues for the transmission facility.  Targa agreed to update this information whenever there is a change to the current company representative.
30	Company understands and agrees that it shall inform the Commission in writing of any plans to modify the transmission facility or of any plans to modify the site plan for the transmission facility. Company understands and agrees to obtain written approval from the Commission prior to any modifications to the site plan or the transmission facility. Approval may be granted after notice and opportunity for hearing.	Targa agreed to inform the Commission in writing of any plans to modify the transmission facility or site plan of the transmission facility.

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Order Number	Order Provision	Reference Confirmation
31	<p>Company agrees to provide the Commission with both an electronic and a paper copy of the corridor approved by the Commission and the facility design specifications for the construction of the transmission facility showing the location of the transmission facility as built, and will provide this information within 3 months of commencement of operation of the facility as a transmission facility. Company also agrees to provide an electronic version of the corridor approved by the Commission and the facility design specifications for the construction of the transmission facility showing the location of the transmission facility as built that can be imported into ESRI GIS mapping software within 3 months of commencement of operation of the facility as a transmission facility. This electronic map data must be referenced to the North Dakota coordinate system of 1983, North and/or South zones US Survey feet (NAD 83) UTM Zone 13N or 14N feet (NAD 83), or geographic coordinate system (WGS 84) feet. The vertical data must be in the appropriate vertical datum for the coordinate system used. All submissions must specify the datum in which the data was developed.</p>	<p>Targa filed a paper copy and an electronic copy of the as-built drawings for the pipeline alignment on October 7, 2015.</p> <p><b>The drawings were filed after the 3-month timeline.</b></p>
32	<p>Company understands and agrees that the authorizations granted by any Certificate of Corridor Compatibility or Route Permit issued by the Commission for the transmission facility are subject to modification by order of the Commission if deemed necessary to protect further the public or the environment.</p>	<p>Targa agreed to this Condition.</p>
33	<p>Company understands and agrees that in the event Company desires to construct, within any corridor granted by a Certificate of Corridor Compatibility in this proceeding, a transmission facility or energy conversion facility that was not included in Company's application in this proceeding, Company shall apply to the Commission for a Route Permit or Site Certificate for the facility.</p>	<p>Targa agreed to this Condition.</p>

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Order Number	Order Provision	Reference Confirmation
34	Company certifies that no damage, as defined by North Dakota Century Code Chapter 49-23, occurred to underground facilities during construction. In the event of any damage to underground facilities did occur during the construction, Company shall report to the Commission what was done to correct the damage.	No reports of damage to underground facilities were reported to the inspection staff.
35	Company understands and agrees that the corridor certificate and route permit are subject to suspension or revocation and may, after hearing, be suspended or revoked for failure to comply with the Commission's order, requirements of the One-Call Excavation Notice System under North Dakota century Code Chapter 49-23, the conditions and criteria of the certificate or permit or subsequent modification, or failure to comply with applicable statutes, or rules, regulations, standards, and permits of other state or federal agencies.	Targa agreed to this Condition.
36	In the event the Company seeks application of NDCC 49-22-03(3)(a), colloquially known as the "footprint rule," the Company certifies it will comply with the provisions contained in Exhibit A to this Certification.	Targa certified this Condition.

#### **4.0 CONCLUSION**

The post-construction inspection did not identify issues of non-compliance. Overall, the Project was in satisfactory condition and was constructed as planned with efforts to minimize impacts. Based on the post-construction field inspection and review of the records, with the exception of the late filed construction drawings, the Project was constructed in compliance with siting laws and rules, and applicable Commission Orders.

**5.0 SIGNATURE**

Recommendations and findings contained in this report are based on available information and technically accepted practices at the present time.

Project Manager David Hennen, Director of Environmental Services, prepared this report.



12-28-16

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David E. Hennen, Director of Environmental Services

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Date

## 6.0 REFERENCES

North Dakota Public Service Commission (NDPSC) Online Case Search. Available from <http://www.psc.nd.gov/database/documents>. Accessed December 2016.

# APPENDIX A

## Photographs

PHOTOGRAPHS



Photo 1 – View of Targa New Town tank facilities.

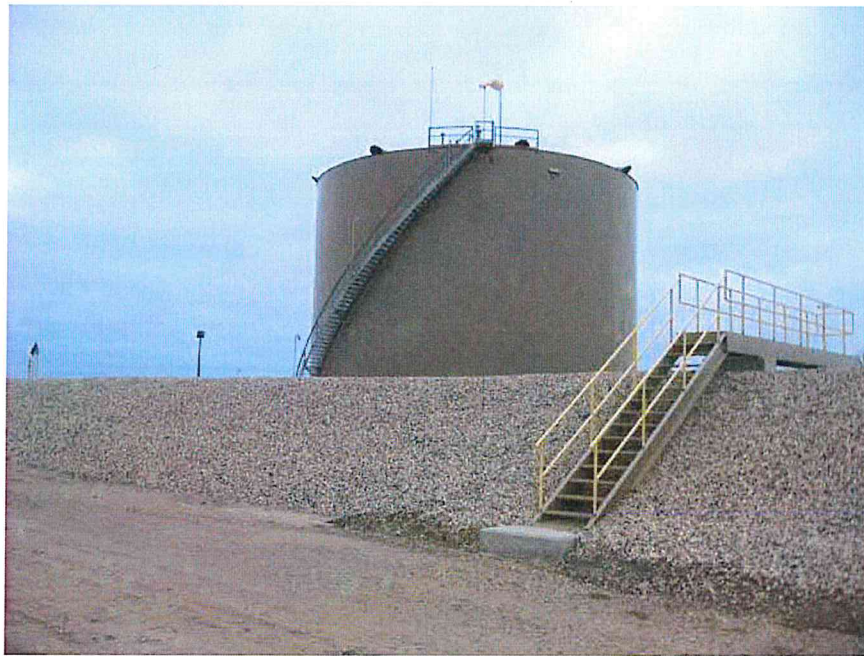


Photo 2 – View of tank at New Town facilities.

PHOTOGRAPHS



Photo 3 – View of 8" pipeline interconnect at New Town tank facilities.



Photo 4 – View of 8" pipeline interconnect at New Town tank facilities.

**PHOTOGRAPHS**



Photo 5 – Approx. Station 0+00. View of restoration in field looking east.



Photo 6 – Approx. Station 75+00. View of restoration in field.

**PHOTOGRAPHS**



Photo 7 – Approx. Station 395+00. View looking north, a different project ROW is located to the west.



Photo 8 – Approx. Station 560+00. View of agricultural field looking west.

**PHOTOGRAPHS**



Photo 9 – Approx. Station 560+00. View of agricultural field looking east.



Photo 10 – Approx. Station 910+00. View of restored ROW looking south.

**PHOTOGRAPHS**



Photo 11 – Approx. Station 1230+00. View of Mainline Block Valve.



Photo 12 – Approx. Station 1360+00. View north of wetland areas.

PHOTOGRAPHS



Photo 13 – Approx. Station 1472+00. View of restored agricultural field looking south.



Photo 14 – Approx. Station 1650+00. View of pasture land looking north.

**PHOTOGRAPHS**



Photo 15 – View of interconnect at the Stanley tank facilities.



Photo 16 – View of Stanley tank facilities.