

**Fahn, Patrick J.**

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**From:** Bob Bachmeier (701-628-9397) <Bob.Bachmeier@AuxSable.com>  
**Sent:** Thursday, September 10, 2015 11:32 AM  
**To:** Morman, Aaron A.; Reamann, Craig R.; Fahn, Patrick J.  
**Cc:** Kris Nielsen (701-628-9381); Neil Footh (701-628-9382); Jeff White (815-941-5812); Todd Grieff (815-941-5838)  
**Subject:** NDPSC Proposed Compliance Order  
**Attachments:** 3777\_001.pdf; IMG\_0401.JPG; photo 3.JPG; photo 2.JPG; photo 1.JPG; 4723\_001.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** Red Category

Aaron,

Below are Aux Sable's response to the August 13<sup>th</sup>, 2015 Warning Letter and Proposed Compliance Order.

**Probable Violation #1:** Aux Sable employees applied a coat of epoxy and paint on the pipe support location at the Ruthville valve site on August 27<sup>th</sup> to protect the pipe from external corrosion, see picture attached above IMG 0401.JPG (1 MB). Work order is attached above (PDF 4723 001).

**Probable Violation #2:** On September 4<sup>th</sup> Aux Sable employees wire brushed and painted the areas of concern at the Stanley Interconnect (see pictures photo 1-2-3 above), this will be a temporary coating until Cathodic Protection Management Inc. can get here this week (September 11<sup>th</sup>) to sandblast and coat the pipe properly (see attached PO 3777 001). FYI, Cathodic Protection Management Inc. will sandblast and coat all piping at the Stanley Interconnect (Whiting Oil and Gas interconnect). I will keep you updated on the progress of the project, when completed I will send pictures.

**Probable Violation #3:** Aux Sable has put a reminder on their pipeline calendar that will be sent out to the pipeline group to ensure that each multimeter will be calibrated once each calendar year not to exceed 15 months.

If you have any questions or concerns, please let me know.

Thanks,

**Bob Bachmeier**  
Pipeline Regulatory Coordinator  
Aux Sable Liquid Products  
(701) 628-9397- Office  
(701) 509-1626- Cell  
[Bob.Bachmeier@AuxSable.com](mailto:Bob.Bachmeier@AuxSable.com)

2 **GS-15-632** Filed: 9/10/2015 Pages: 8  
Response to Aug. 13, 2015 letter

**Aux Sable Midstream LLC**

**6155 E. US Route 6  
Morris, IL  
USA, 60450**

Telephone .....: (815) 941-5800  
Fax .....: (815) 941-5801

**Invoice To:**

Aux Sable Midstream LLC  
ATTN: ACCOUNTS PAYABLE  
accounts payable@auxsable.com  
6155 E US Route 6

ATTN: ACCOUNTS PAYABLE

**Purchase order**

Number PO-00009048-1  
Date 9/1/2015  
Page 1 of 1  
Buyer Steph S

Terms Net 25 Days Date of invoice

Catholic Protection Management Inc  
39W960 Midan Drive  
Eiburn, IL  
USA, 60119

Contact .....

**Ship To:**

Aux Sable Midstream LLC  
6138 74th Ave. NW  
Palermo, ND  
USA, 58769

Line No	Item number	Description	Delivery	Tax exempt	Quantity	Unit	Unit price	Amount
1.00	MISC-MAINT	Blast and paint piping at the Stanley Interconnect, Palermo Plant inlet/outlet trap, and Palermo "camel's back" to protect against atmospheric corrosion.  ***** Please reference signed MFSA Agreement *****	8/31/2015	No	80,000.00	EA	1.00	80,000.00

1. The Purchase Order number must appear on all Bills of Lading, Packing Slips, Invoices, Packages and Correspondence.
2. Merchandise must be shipped in accordance with our instructions.
3. A Packing Slip showing Purchase Order details must be sent with each delivery.
4. No additional sundry charges will be accepted unless specified in the order.
5. Agreed delivery dates must be adhered to or we reserve the right to cancel. Please advise immediately of any inability to fulfill this order in full or of any changes.
6. All shipments sent Freight Collect must be notified to the shipping department for a carrier routing.
7. A booking must be made with the shipping department at least 24 hours in advance of delivery. A reference will be required for your delivery.
8. All raw materials must be accompanied by Certificates of Analysis and Conformity where applicable.
9. It is the duty of the carrier to ship in accordance with the current regulations; this includes CE mark for all equipment.
10. This Purchase Order is subject to and includes the attached General Conditions of Purchase (the "GCP"). In the event of a conflict between the GCP and any terms and conditions included by Seller (as defined in the GCP), the terms and conditions of the GCP will prevail.

Approved by: \_\_\_\_\_

Purchasing Authorization:  \_\_\_\_\_

Sales balance	Total discount	Misc. charges	Sales tax	Round-off	Total	
80,000.00	0.00	0.00	0.00	0.00	80,000.00	USD



## Cathodic Protection Management, Inc.

August 27, 2015

TO: Mr. Bob Bachmeier  
Palermo, ND

RE: Painting Project  
Palermo Station, Camelback, and Stanley, ND

Dear Bob:

Thank you for the opportunity to submit our proposal to paint at the reference locations.

Our scopes of services are as follows:

- Provide a paint crew with the lead painter with over 25 years of experience painting for various oil, gas and water companies
- Provide a power washer rated at 4,000 PSI, water tank. We will require a water supply at the site.
- Provide a cleaner to clean the pipe when necessary and when necessary inject sand into the power washer.
- Prepare the pipe for painting, tape off tags, labels, and other as necessary
- Apply one coat of Diamond Vogel Multi-E-Poxy 180.
- Apply top coat of Diamond Vogel Multi-Thane 330.
- Allow to dry overnight prior to handling.

The cost estimate for all the equipment, materials, manpower and support equipment was FORTY SIX THOUSAND (\$46,000.00) DOLLARS. Adding the 250 feet of pipe and 7 transitions at the Palermo site we need to add THIRTY THOUSAND (30,000.00) DOLLARS for a grand total of SEVENTY SIX THOUSAND (\$76,000.00) DOLLARS. We can have a crew mobilized within a week.

Sincerely,

Bill Carlson









# WORK ORDER REPORT

## WORK ORDER DETAIL



<b>Classification:</b>	PIPE	<b>MRO Priority:</b>	2
<b>Work Order No:</b>	20043-002008	<b>Master Work Order:</b>	20043
<b>Description:</b>	Repair crack coating on saddle at Ruthville		
<b>Status Code:</b>	COMPLETED		
<b>Event ID:</b>		<b>Failure ID:</b>	
<b>Asset Type:</b>	PLANT-2-1	<b>Asset ID:</b>	001
<b>Structure Code:</b>	0	<b>Serial Number:</b>	001
<b>Structure Description:</b>	MIDSTREAM PLANT		
<b>Maintenance</b>	MIDSTREAM WK		
<b>Triggered By:</b>		<b>Item Number:</b>	
<b>Planned Start Date/Time:</b>	8/26/2015 09:05:33 am	<b>Scheduled By:</b>	
<b>Actual Start Date/Time:</b>	8/27/2015 09:47:00 am	<b>Planned End</b>	9/10/2015 09:05:33 am
<b>Scheduled Meter:</b>	_____	<b>Actual End Date/Time:</b>	8/28/2015 10:16:54 am
<b>Employee Name:</b>	Neil Footh	<b>% Complete:</b>	_____

## RESOURCES

### TRADES / PERSONNEL

**Trade Code:** PIPE LN  
**Planned Duration** 5.00 (DAY)  
**Planned Qty:** 1.00 (EA)

**Actual Duration:** \_\_\_\_\_  
**Actual Qty:** \_\_\_\_\_  
**Categories** \_\_\_\_\_  
**Allocated employee** Bob B

### FEEDBACK:

@EAM11666

Crapped paint off top side of saddle and applied epoxy paint. this sealed the small crack.