

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

IN THE MATTER OF THE APPLICATION
OF SCS CARBON TRANSPORT LLC FOR
A CERTIFICATE OF CORRIDOR
COMPATIBILITY AND ROUTE PERMIT
FOR THE MIDWEST CARBON EXPRESS
PROJECT IN BURLEIGH, CASS, DICKY,
EMMONS, LOGAN, MCINTOSH,
MORTON, OLIVER, RICHLAND AND
SARGENT COUNTIES, NORTH DAKOTA

CASE NO. PU-22-391

DIRECT TESTIMONY OF

JEFFREY L. SKAARE

ON BEHALF OF

SCS CARBON TRANSPORT LLC

June 1, 2023

I. WITNESS INTRODUCTION

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND PRESENT POSITION.

A. My name is Jeffrey L. Skaare. My business address is 3442 E. Century Ave., Bismarck, ND 58503. My title is Director of Land, Legal and Regulatory Affairs for Summit Carbon Solutions.

Q. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES IN YOUR PRESENT POSITION?

A. My primary responsibilities are Landman related activities, including surface and mineral title research; drafting and negotiating options and leases for pore space; drafting and negotiating right of way easements; and entering into surface use agreements for wellsites or other surface facilities.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I received a Bachelor of Science degree in Business Administration from North Dakota State University in 1997, and a Juris Doctorate degree from the University of North Dakota in 2000. I am a North Dakota-licensed attorney, and a Certified Professional Landman (CPL) with the American Association of Professional Landmen (AAPL). I have dedicated my career to energy and natural resource development, bringing over 20 years of experience to my role at Summit Carbon Solutions. My experience includes financial side of energy development with First International Bank & Trust. It also includes numerous positions within Caliber Midstream, including Land Manager, Director of Operations, and later Director of Business Development. In those differing capacities within Caliber, I oversaw right-of-way acquisition, construction, operations, and new business development. Prior to joining Caliber Midstream in 2013, I was owner of Border Resources, LLC, a complete oil and gas land services company managing over 50 landmen

and support staff providing title, leasing, curative, due diligence, seismic permitting, mapping, surface use and land records in the states of ND, MT, TX, WY, CO, MI & UT. I previously served on the Board of Directors for the North Dakota Petroleum Council (NDPC). I am on the Board of Directors and a past President of the Landman Association of North Dakota (LAND).

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE NORTH DAKOTA PUBLIC SERVICE COMMISSION (“COMMISSION”)?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. To provide an update to the Commission on the progress Summit Carbon Solutions has made with respect to our sequestration area, where we intend to inject CO₂ into the ground benefiting the North Dakota surface owners through royalty payments for the use of their pore space. Also, to provide information regarding my review of existing transmission pipelines located within Bismarck, providing details on their location in approximation to existing residential and commercial developments.

II. SEQUESTRATION DEVELOPMENT

Q. WHAT IS THE STATUS OF YOUR SEQUESTRATION PROJECT?

A. Summit has identified an area for development of its proposed Class VI injection wells. We have completed what is known as site characterization. Summit’s site characterization includes the completion of three (3) stratigraphic wells with >99% core recovery from both the injection and confining zones in our target area. These cores provide us with knowledge of depth, thickness, and general characteristics such as permeability and porosity of the targeted injection and confining zones. Using actual core materials, Summit determined

confining zones pressure strength. Summit also completed one of the largest 3D seismic shoots in the Williston Basin, covering ~200 square miles. This allows Summit to verify the absence of faults or other anomalies that would impact any targeted area. Lastly, Summit completed “step rate” injection tests into the three formations, gaining additional knowledge on injectivity. By combining all this data, Summit with the help of the Energy & Environmental Research Center (EERC) was able to create injection simulation models showing CO₂ plume extent and containment.

Q. WHAT IS THE LEVEL OF LANDOWNER INVOLVEMENT IN YOUR SEQUESTRATION PROJECT?

A. Summit’s Landowner Participation in the form of options and leases for pore space is between 81% to 91% for each proposed Storage Facility Permit and growing. The communities where we are developing have embraced this opportunity. We have determined our injection location and have had favorable discussions with landowners regarding injection wellsite development.

Q. WHY IS THE PROPOSED CO₂ PIPELINE IMPORTANT?

A. Summit’s project allows North Dakota landowners the opportunity to develop their pore space as a resource. Summit has secured pore space options and leases covering more than 137,000 acres in our development area. This project provides families and farmers with an additional source of revenue which in turn benefits North Dakota.

III. CITY OF BISMARCK & PIPELINE DEVELOPMENT

Q. CAN YOU PLEASE PROVIDE AN OVERVIEW OF YOUR RESEARCH?

A. Using the National Pipeline Mapping System (NPMS) on the United States Department of Transportation's website¹, I was able to research both Hazardous Liquid Pipelines and Gas Transmission Pipelines within Burleigh County and more specifically within the City of Bismarck, ND.

Q. WHAT DID THE NATIONAL PIPELINE MAPPING SYSTEM SHOW?

A. NPMS shows two (2) Gas Transmission Pipelines and one (1) Hazardous Liquids Pipeline in Burleigh County. All three have portions within the City of Bismarck. Using the NPMS "Query Tools" function, I was able to identify specific operator. I identified the Hazardous Liquids Pipeline as the NuStar Pipeline Operating Partnership LP line that is part of the "Mandan – Jamestown – E" system. That line traverses through the northern part of the City of Bismarck. Using the same process, I identified two Gas Transmission lines. The WBI Energy Transmission, Inc.'s East Mon-Dak line running north and south through Bismarck; and the Montana Dakota Utilities, Hay Creek Line, which runs east and west in north Bismarck.

Q. WHAT CAN YOU TELL US ABOUT THE DEVELOPMENT AROUND THIS PIPELINE?

A. Summit Carbon Solutions uses RexTag data for information regarding existing pipelines and other energy infrastructure in its internal siting planning. Using RexTag data we were able to overlay these pipelines over imagery available on ND GIS Hub showing USDA-Aerial Photography from 1957 to 1962. That imagery is shown in figure #1 below. Next, we were able to overlay those pipelines over current aerial imagery. That imagery is shown in figure #2 below. What you will see from these images is that there has been substantial development all around these pipelines over the course of the past 60 plus years.

¹ <https://www.npms.phmsa.dot.gov/>



FIGURE #1

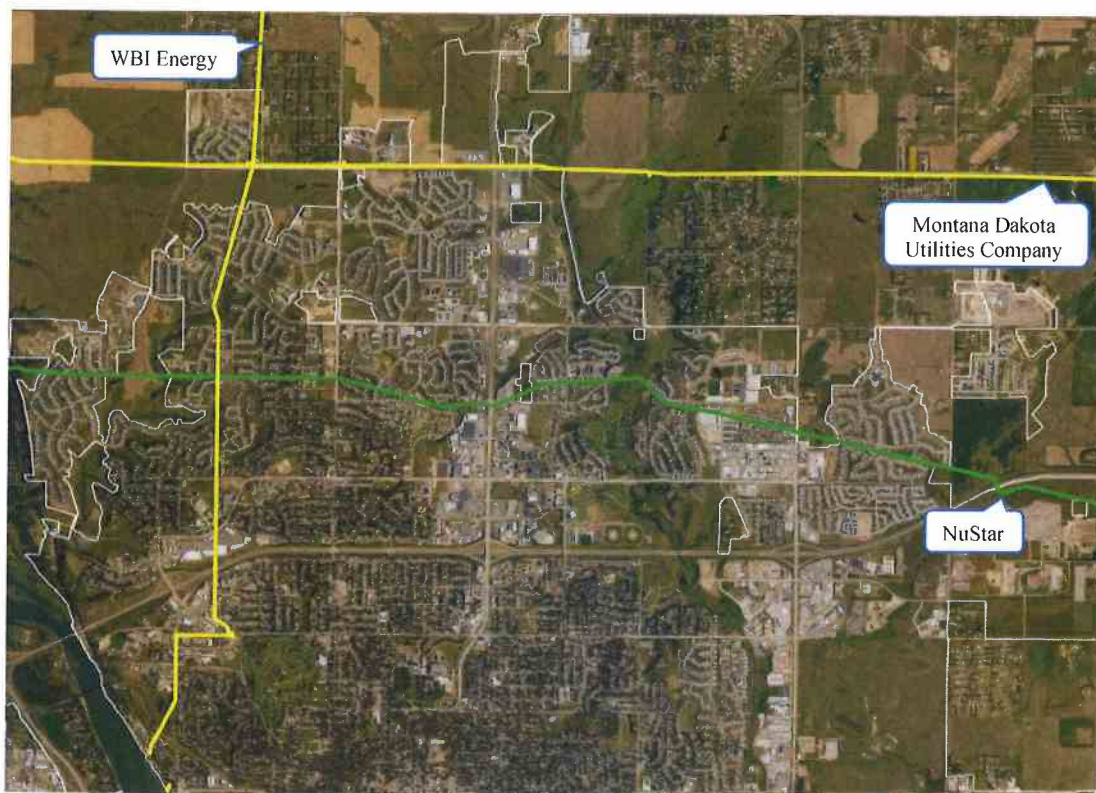


FIGURE #2

Q. WHAT CAN YOU TELL US ABOUT THE GAS TRANSMISSION LINES?

A. WBI Energy is a wholly owned subsidiary of MDU Resources Group, Inc. These lines are part of the same general natural gas transmission system. These lines sizes range in diameter from 16" to 8". The east to west line is a 16" line when it crosses the Missouri River just south of Misty Waters Marina. This line connects to a compressor station just east of Heritage Park. As this system continues to the east, there are two 8" lines from the compressor station that run parallel to each other and parallel to 57th Ave. NW. This line is on the south end of St. Mary's Central Catholic High School grounds crossing highway 83 next to Bismarck Motor Company. The north to south line is a 12" line as it enters and exits the same compressor station just east of Heritage Park. It travels south through the neighborhood west of Horizon Middle School. It crosses Century Ave. near the MDU Resources Group's office and travels between the Kohl's and Best Buy stores before crossing under I-94 on its way down toward Bismarck State College campus.

Q. WHAT CAN YOU TELL US ABOUT THE HAZARDOUS LIQUIDS PIPELINE?

A. My preliminary research included a review of NuStar website operations map² which shows this pipeline transports "refined products", more commonly known as refined petroleum or fuels, such as gasoline and diesel fuel. My follow up research included a review of North Dakota Public Service Commission filings regarding this specific line. What I discovered is that NuStar Pipeline Operating Partnership, L.P. was previously known as Kaneb Pipe Line Operating Partnership, L.P. (Kaneb) with a name change effective March 31, 2008.³ In a review of ND PSC case no. PU-03-590 Kaneb submitted a 2003 Ten Year Plan in which they explain that they purchased the pipeline formerly

² <https://www.nustarenergy.com/OpsMap/Index>

³ <https://www.psc.nd.gov/database/documents/08-0147/001-010.pdf>

owned by Tesoro Refining & Marketing Company on December 24, 2002. I have attached a full copy as **Exhibit A** of the Ten Year plan to this testimony, however, within its Ten Year Plan, Kaneb provided the following details:

2. Type and Capacity:

- (a) **Product Type: Refined Petroleum Products**
- (b) Length of System: 200.30 miles
- (c) **Pipe Size: 10"**
- (d) **Maximum Operating Pressure: 1440 PSI**
- (e) Maximum Flow Rate: 57,000 Barrels Per Day
- (f) Pump Station Specifications:

<u>Station</u>	<u>Horsepower</u>	<u>Maximum Output Press. PSI</u>	<u>Maximum Rate B/D</u>
Mandan	1600	1440	57,000
Medina	1500	1440	57,000
Driscoll	775	1440	57,000
Valley City	650	1410	57,000

- (g) **Minimum Cover: 30" nominal**

3. **In-Service Dates:**

- (a) Line Segments:

Mandan-Moorhead - 1954

Q. HAVE YOU BEEN ABLE TO PHYSICALLY LOCATE THESE PIPELINES?

A. Yes. First, using "Street View" imagery from Google Earth, I was able to find the required pipeline markers throughout the City of Bismarck. I have included a copy of those images as **Exhibit B**. Second, I have personally driven to several locations within the City of Bismarck and have identified the existing pipeline markers that are in place today.

Q. DID YOU IDENTIFY ANY CURRENT OR EXISTING DEVELOPMENT ALONG THOSE PIPELINES?

A. Yes. As a result of my research, I was able to identify well established and currently developing residential and commercial areas around these pipelines. Included with my testimony is an **Exhibit B** that details some of those findings.

Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?

A. Yes, it does.

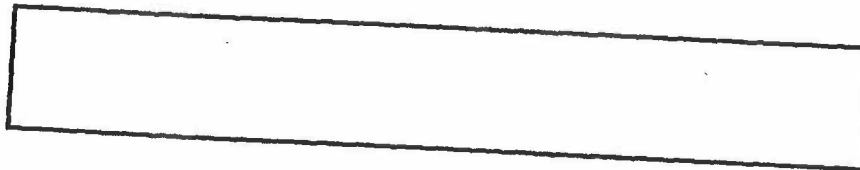
Dated this 1st day of June, 2023.

/s/ Jeffrey L. Skaare

Jeffrey L. Skaare

DIVIDER

STATE OF NORTH DAKOTA
INFORMATION TECHNOLOGY DEPARTMENT
SFN 2053 (4-2002)



PU-1887-03-590
Kaneb Pipe Line Operating Partnership, L.P.
2003
Ten Year Plan
Filed 10/6/2003

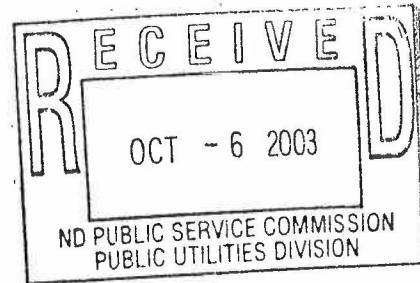
Closed 10/6/2003

03



Kaneb Pipe Line Operating Partnership, L.P.

October 1, 2003



North Dakota Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, ND 58505-0480

Kaneb Pipe Line Operating Partnership, L.P. purchased the pipeline formerly owned by Tesoro Refining & Marketing Company on 12/24/02. On behalf of Kaneb Pipe Line Operating Partnership, L.P., I hereby submit Kaneb's ten-year plan pursuant to North Dakota Century Code Section 49-22-04 and Chapter 69-06-02, North Dakota Administrative Code.

Section A: Existing Energy Conversion

Kaneb has no existing energy conversion facilities as defined in North Dakota Century Code Section 49-22-03 (5).

Section B: Energy Conversion Facilities Under Construction

Kaneb has no energy conversion facilities under construction.

Section C: Proposed Energy Conversion Facilities on which Construction is Intended Within the Ensuing Five Years

Kaneb has no energy conversion facilities on which construction is intended within the ensuing five years.

Section D: Proposed Energy Conversion Facilities During the Next Ten-Year Time Period

Kaneb has no proposed energy conversion facilities during the next ten year time period.

Section E: Existing Transmission Facilities (Electric)

Kaneb has no such existing electrical transmission facilities.

Section F: Existing Transmission Facilities (Pipeline)

Kaneb has existing pipeline transmission facilities as described in Exhibit "A".

Section G: Proposed Transmission Facilities on Which Construction is Intended Within the Ensuing Five Years (Electric)

Kaneb has no proposed electric transmission facilities on which construction is intended within the ensuing five years.

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Section H: Proposed Transmission Facilities on Which Construction is Intended Within the Ensuing Five Years (Pipeline)

Kaneb has no proposed pipeline transmission facilities on which construction is intended within the ensuing five years.

Section I: Proposed Transmission Facilities During the Next Ten Year Time Period (Electric and Pipeline)

Kaneb has no proposed electric or pipeline transmission facilities during the next ten-year period.

Section J: Regional Coordination

Kaneb has no facilities planned that will require coordination into an existing utility system.

Section K: Environmental Information

Kaneb has no facilities planned that will necessitate an environmental assessment.

Section L: Projected Demand For Service

Kaneb does not anticipate demands for increased service within the next ten-year time period. Projected demands will be at existing demands. Consequently, Kaneb does not propose any further energy conversion or pipeline transmission facilities within the next ten-year time period.

Respectfully submitted October 1, 2003.



Tim Fenstermacher
Operations Manager

Cc: County auditors designated in Section 69-06-0202
State agencies and officers designated in Section 69-06-01-05

EXHIBIT "A"

1. System Map: (see attached)

2. Type and Capacity:

- (a) Product Type: Refined Petroleum Products
- (b) Length of System: 200.30 miles
- (c) Pipe Size: 10" - 200.30 Miles
- (d) Maximum Operating Pressure: 1440 PSI
- (e) Maximum Flow Rate: 57,000 Barrels Per Day
- (f) Pump Station Specifications:

<u>Station</u>	<u>Horsepower</u>	<u>Maximum</u>		<u>*Maximum</u>
		<u>Output press.</u>	<u>PSI</u>	
Mandan	1600	1440	57,000	
Medina	1500	1440	57,000	
Driscoll	775	1440	57,000	
Valley City	650	1410	57,000	

*Above figures refer to the maximum facility throughput during complete system utilization

- (g) Minimum Cover: 30" nominal.

3. In-Service Dates:

- (a) Line Segments:
Mandan-Moorhead - 1954
- (b) Stations:
Mandan Station - 1954
Driscoll Station - 1979
Medina Station - 1964
Valley City Station - 1979

4. Projected Retirements:

Kaneb Pipe Line Operating Partnership, L.P. has no plans to retire any existing truckline facilities or stations within this ten-year forecasted time period, nor are there any plans for future trucklines during this period.

MAP IS FOR REPRESENTATION ONLY AND SHOULD NOT BE RELIED UPON for the purpose of excavations, title encumbrances or any similar purpose.

North Dakota, United States

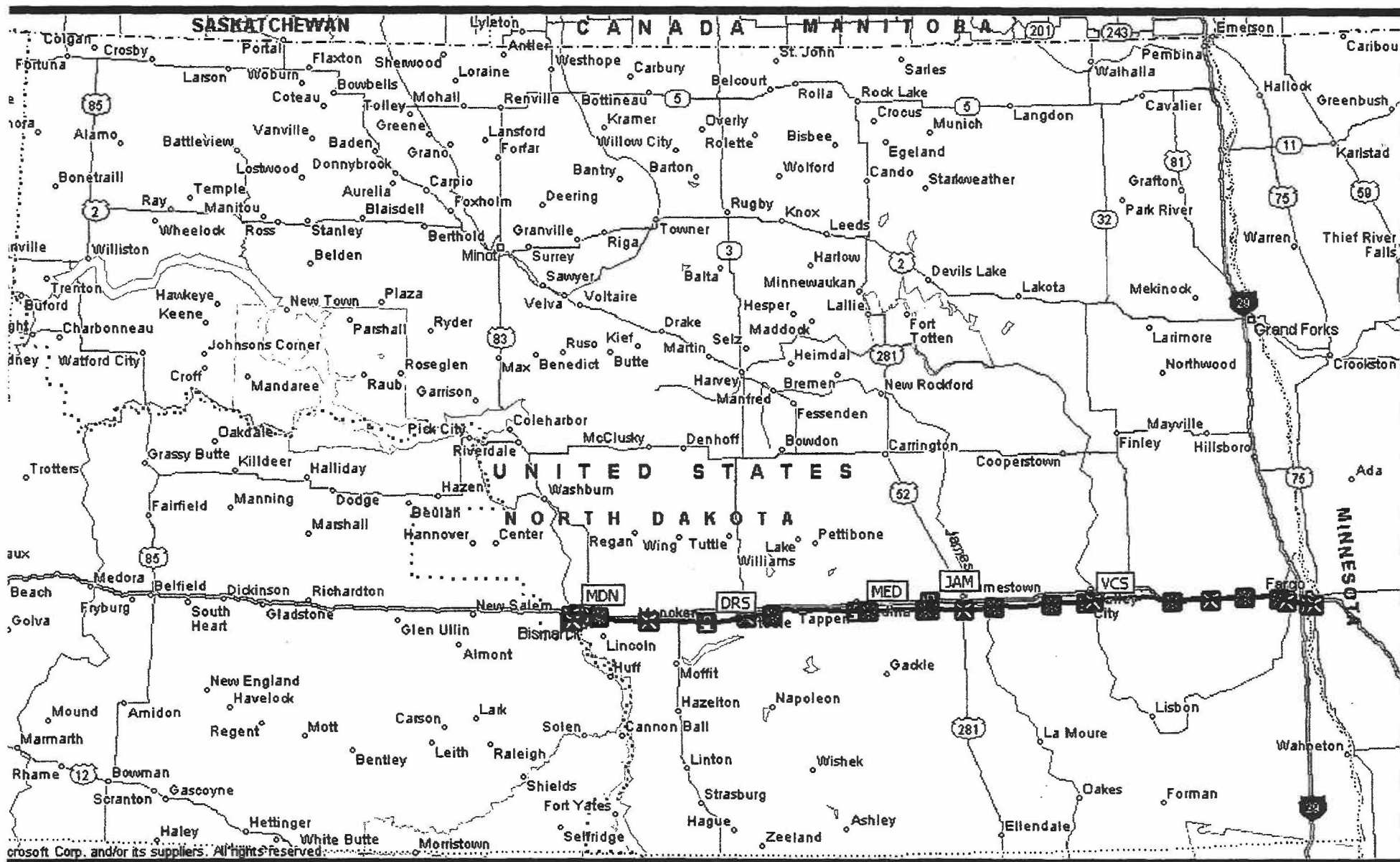


Exhibit B



Aerial imagery of Promontory Point neighborhood with the NuStar Refined Fuels line highlighted in green

Exhibit B



Picture #1 – 3808 Valley Drive (facing west) – NuStar Refined fuels

Exhibit B



Picture #2 – 3808 Valley Drive (facing east) – NuStar Refined fuels line

Exhibit B



Picture #3 – 3807 Monroe Drive (facing west) – NuStar Refined fuels line – line passes between pictured homes

Exhibit B



Picture #4 – New lot for sale 3825 Cogburn Rd. (near intersection with Herd Pl. Rd). – NuStar Refined fuels from right to left across picture

Exhibit B



Picture #5 – New lot appears staked for development on Del Rio Dr. – NuStar Refined Fuels line (second marker circled in red) (green circle of one of the stakes that appears to be placed for development)

Exhibit B



Picture #6 – Recent backyard grading on Powder Ridge Dr. – NuStar Refined Fuels line (second marker circled in red)

Exhibit B



Picture #7 – Home for sale near 3807 Monroe Drive – NuStar Refined Fuels Line – pipeline passes between homes

Exhibit B



Picture #8 – 3725 High Creek Road area (facing west) – NuStar Refined Fuels line passes between homes.

Exhibit B



Picture #9 – also near 3725 High Creek Road (facing east) – NuStar Refined Fuels line passes between houses

Exhibit B



Picture #10 – Round Top Road – WBI 12 inch Natural Gas Transmission line next to lot graded for development

Exhibit B



Picture #11 – Round Top Road – WBI 12 inch Natural Gas Transmission line marked next to a lot for sale for development

Exhibit B



Picture #12 – Mustang Drive - WBI 12 inch Natural Gas Transmission line marked in existing neighborhood (travels between houses)

Exhibit B



Picture #13 – 3710 Coleman St. – NuStar Refined Fuels line – passes between houses in established neighborhood.

Exhibit B



Picture #14 – 3400 block of Hamilton St. – NuStar Refined Fuels line running left to right with Legacy High School stands in background.