

County Administrator

Keith Berndt

TO:

MEMO

Cass County Board of Commissioners

FROM:

Keith Berndt

Cass County Administrator

DATE:

January 27, 2016

SUBJECT:

Cenex Pipeline & Mapleton Junction Subdivisions

Commissioners,

The Cenex Pipeline Subdivision and the Mapleton Junction Subdivision have been placed on the Commission agenda for further discussion at the February 1st meeting.

There were several pieces of information that may not have been available to you at the time of the January 4th meeting, which are included as enclosures.

Representatives from Cenex and NuStar will attend the meeting to provide a brief presentation and to answer questions.

Box 2806 Fargo, North Dakota 58108

211 Ninth Street South MY DOCUMENTS/KEITH/MEMO-CENEX PIPELINE & MAPLETON JUNCTION SUBDIVISIONS.DOCX

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CENEX PIPELINE AND MAPLETON JUNCTION SUBDIVISIONS

A presentation will be provided by representatives from Cenex Pipeline and NuStar. Following the presentation, the board will have the opportunity to discuss the topic.

According to Robert's Rules of Order, if the board decides it would like to change an action voted on at an earlier meeting, a motion may be made to rescind the action taken on January 4, 2016 with a suggested motion as follows:

SUGGESTED MOTION:

Move to rescind the motion adopted at the January 4, 2016 meeting to deny final plat approval for Cenex Pipeline Subdivision located in Section 9, Township 140N, Range 50W of the 5th Principal Meridian, Cass County, North Dakota.

• If the vote to rescind *fails*, the action taken on January 4th to deny final plat approval for the Cenex Pipeline Subdivision stands.

If the vote to rescind *passes*, the board may decide to make a different motion on the Cenex Pipeline Subdivision as follows:

SUGGESTED MOTION:

Move to grant final plat approval for Cenex Pipeline Subdivision located in Section 9, Township 140N, Range 50W of the 5th Principal Meridian, Cass County, North Dakota with the board's understanding that the facility will be used only as a storage facility and will not be a trucking terminal. If at a future time the use of the facility changes, this would require additional action by the Raymond Township Board.

In the event that the board to grants approval to Cenex Pipeline Subdivision, a motion will be needed for Mapleton Junction Subdivision as follows:

SUGGESTED MOTION:

Move to grant final plat approval for Mapleton Junction Subdivision located in Section 9, Township 139N, Range 50W of the 5th Principal Meridian, Cass County, North Dakota.

7. COMMISSION POLICY, <u>Amend Section 24.20 Planning Function; Section 24.30 Subdivision Application Fees</u>

Hali Durand, County Planner, said septic regulations approved last fall include language that appoints the Cass County Planning Commission to hear appeals related to on-site septic regulations. As this is not a function of the Planning Commission as outlined in Section 24.20 of the Commission Policy Manual, Ms. Durand took the opportunity to update the policy, along with Section 24.30, which relates to subdivision application fees. The fee schedule was outdated and has been updated to reflect the fees that are currently being used.

Ms. Durand said the changes have been approved by the Planning Commission; other than the addition of hearing septic appeals and the fee schedule update the changes are mostly grammatical or pertain to formatting.

Mr. Burdick said he has reviewed the changes and he has no comments.

MOTION, passed

Mr. Pawluk moved and Mr. Steen seconded to amend Commission Policy Section 24.20, Planning Function of Cass County and Section 24.30 relating to subdivision application fees. On roll call vote, the motion carried unanimously.

8. PLAT DENIED, <u>Cenex Pipeline Subdivision</u>; <u>Mapleton Junction Subdivision</u>

Ms. Durand said the Cenex Pipeline Subdivision and Mapleton Junction Subdivision are related to the proposed NuStar pipeline project. Both plats have met all requirements and Ms. Durand recommends their approval.

Mr. Pawluk said he has followed the project from the onset and he still has concerns that the Cenex Pipeline Subdivision does not meet the requirements of the Cass County Comprehensive Plan, which discourages non-farm development in agricultural areas. He is not opposed to the pipeline or terminal otherwise.

Mrs. Scherling agreed with Mr. Pawluk and said that while several parties have worked hard to come up with a proposal to appease those who are opposed to the project, she believes a precedence may be set by approving a project that conflicts with the comprehensive plan.

Mr. Rasmussen asked which fire department would be responsible for responding to the area. Ms. Durand said the West Fargo Fire Department would respond. Mick Gee, representative of Cenex Harvest States, was present to discuss the matter. Mr. Gee said a foam system would be installed at the site, in addition to either a large water tank, or a water containment area. A rural water line would also be brought to the site.

Mr. Steen asked if another site would be more suitable. Ms. Durand said additional sites were identified in Raymond Township, but with the consideration of homeowner feedback and the location of the existing pipeline, the current site was identified as the best option.

Mr. Steen asked if there was a lot of opposition at the Raymond Township meeting when the variance for the zoning change for the site was approved. Raymond Township Supervisor David Gust was present. Mr. Gust said there was some opposition and concern that the project is not an appropriate use of the land and does not provide direct agricultural services. A zoning variance was approved on a two to one vote. Mr. Gust was the "No" vote.

Raymond Township Chairman Dane Larsen was also present. Mr. Larsen said the project was controversial from the beginning. The current site is the most suitable site in the township, and the representatives worked hard to appease as many residents as possible and address any potential concerns. The zoning variance was approved with the viewpoint that fuel has a very large impact on agriculture.

Oly Olafson, representative from Ulteig Engineers, assisted in locating and identifying the project sites. Mr. Olafson said after the initial site was identified in Prosper, residents voiced concerns and eventually the current site was identified. There was little opposition to the current site.

Mr. Rasmussen asked why residents were opposed to the project, other than for perceived safety issues. Mr. Olafson said he does not know, and perhaps the initial opposition came from residents not understanding the location due to a poor site map.

Mr. Steen said the township approved the zoning variance and the plat has been approved by the Cass County Planning Commission.

MOTION, failed for lack of a second

Mr. Steen moved to grant final plat approval to Cenex Pipeline Subdivision located in Section 9, Township 140N, Range 50W of the 5th Principal Meridian, Cass County, North Dakota as it meets the goals and objectives of the Cass County Comprehensive Plan, Cass County Highway Access Plan, Flood Damage Prevention Ordinance and Cass County Subdivision Ordinance. The motion died due to lack of a second.

MOTION, passed

Mr. Pawluk moved and Mrs. Scherling seconded to deny final plat approval to Cenex Pipeline Subdivision located in Section 9, Township 140N, Range 50W of the 5th Principal Meridian, Cass County, North Dakota. Discussion: Mr. Pawluk said he is not against the project, but every part of the project thus far has come at a compromise, and the chosen location does not have necessary services available. Mr. Steen asked if there is any other area in the county where the facility would be appropriate without having to build additional pipeline. Ms. Durand said the decision is difficult, but the township has approved a zoning variance for the current site and the project does provide an agricultural service. Mr. Peterson asked how the plat can be approved if it goes against the Cass County Comprehensive Plan, which discourages non-farm development in agricultural areas. Mr. Berndt said the project will take the same acreage of farmland no matter the site in the county. On roll call vote, the motion carried with Mr. Pawluk, Mrs. Scherling, and Mr. Peterson voting "Yes"; Mr. Steen, and Mr. Rasmussen voting "No".

Mr. Pawluk asked if action must be taken on the Mapleton Junction Subdivision as it has also been submitted for approval. Mr. Gee said there is no benefit to approving the subdivision as it relates directly to the Cenex Pipeline Subdivision, and both are required to move forward with the project.

MOTION, withdrawn

Mr. Pawluk moved and Mrs. Scherling seconded to grant final plat approval to Mapleton Junction Subdivision located in Section 9, Township 139N, Range 50W of the 5th Principal Meridian, Cass County, North Dakota as it meets the goals and objectives of the Cass County Comprehensive Plan, Cass County Highway Access Plan, Flood Damage Prevention Ordinance and Cass County Subdivision Ordinance. Discussion: Mr. Steen asked what purpose of approving this plat would serve as it is connected to the Cenex Pipeline Subdivision, and nothing will be accomplished with its approval. Mr. Pawluk said the items were presented separately and require separate votes. The motion was withdrawn by Mr. Pawluk and Mrs. Scherling.

9. COUNTY EMPLOYEE HANDBOOK

Keith Berndt, County Administrator, said one month ago a draft of the new County Employee Handbook was presented to the commission for review. HR Director Cindy Stoick and Senior Attorney Tracy Peters were present to answer questions on the handbook.

Mr. Peterson asked if there were any substantive changes after the previous review of the handbook. Mr. Berndt said there were not.

Mr. Rasmussen asked about the biggest or most controversial change to the original policy manual. Mrs. Peters said there was a change to the donated leave policy, which will create a leave bank to collect annual leave hours donated by employees. The leave will be used by employees who would otherwise need to take leave without pay for extended illnesses or medical issues. Under the current policy, donations for leave must be solicited from employees with the approval of a department head. The hours for the leave bank will most likely be donated by employees who would otherwise lose vacation hours at the end of the year as they are only allowed to carry over a maximum of 240 hours past January 15th of any given year.

Mr. Steen asked how many hours are forfeited every year. Mrs. Stoick said approximately 300 to 400 hours are forfeited every year. Mr. Steen asked if a cap will be put in place on the donated leave bank. Mrs. Stoick said she does not foresee the bank accruing a vast amount of hours as several employees need donated leave every year.

Mr. Steen said not establishing a cap for the leave bank at the onset creates a liability for the county. Mr. Burdick said perhaps language can be added to require the County Administrator to bring the issue to the commission annually to review and control the balance.

Mr. Rasmussen asked who decides how much donated leave time can be used. Mrs. Stoick said it is at the department head's discretion. Department heads have been conscientious when allowing employees to request donated leave and there have been no issues with abuse. The use of hours from the donated leave bank will still require the permission of the employee's department head.

Mr. Steen said there should be limits and guidelines written into the policy on who is eligible to use the leave, when they are allowed to use it, the maximum amount allowed to be used by each employee, and a maximum amount allowed in the bank.

Along with this letter are a letter from CHS – Mick Gee, an addendum to that letter, a copy of the unofficial minutes from the Raymond Township meeting of December 11, 2015, as well as a binder of information regarding the work done in the search for the best sites for CHS and NuStar.

The original plan for this project was to lay pipe from the Magellan Facility in West Fargo to the NuStar Facility in Moorhead, around the north side of West Fargo, Fargo, and Moorhead, there were many difficulties with that route, the main ones were skirting growing population areas and getting a pipeline into the NuStar facility because it is bounded on all sides by development.

CHS looked at the Ethanol Plant Industrial Park west of Casselton, it was precluded because of the added cost that locating the tank farm in the Ethanol Plant Industrial Park. I told her if located there CHS would have to build two pipelines from 10 miles north (approximately) from where the Laurel Pipeline is located adjacent to the BNSF RR tracks, to the Industrial Park and there displace 60 acres of ag land for their facility and have NuStar put in a much shorter pipe to south of I-94, but the challenge would be to find a willing landowner south of I-94 who would sell land to NuStar for a point of interconnect.

KC Purgason and I met with the City of Mapleton P & Z Board and they didn't think having an 8" pipeline through the Industrial Park would be something they wanted and I also asked if CHS were to approach the owners of the Industrial Park to purchase 40 – 60 acres, if the P & Z Board would approve a tank farm site? They told us a tank farm does not meet their intended use of this area and no they wouldn't allow a tank farm to be built. The Mayor of Mapleton, Eric Hillman wasn't totally opposed to the tank farm idea, but he told us the citizens of Mapleton would not be in favor if polled.

I explored many, many options for the tank farm site west of Prosper in Harmony Township, and northwest of Prosper in Berlin and Rush River Townships. The landowners I approached were willing to discuss selling land for a tank farm facility, however the landowners south of these locations were very hesitant to speak with me regarding easements for a pipeline, they stated they were tired of being asked about easements because they were for the most part, the landowners who accepted the Cap X 2020 Transmission Line easements, they were burned out after negotiations for the Cap X 2020 Transmission Line, so to speak.

The Johnson site in Section 9, is not the best piece of agricultural land in the area, the presence of the railroad on the north edge, and the of two large transmission lines with H-Frame structures which traverse across the site west to east, make this land particularly difficult to farm with today's modern farming equipment. We negotiated with the two step daughters of Harry Johnson in the acquisition of an option for the CHS facility, Mr. Johnson is unfortunately in a memory care facility and his daughters now control the land. They are in total agreement to sell this orphan piece off their land, they were happy to work with CHS to get the tank farm built there.

In searching for a point of interconnect south of I-94, I visited with a number of landowners both west and east of Mapleton. Because the City of Mapleton did not want to allow a pipeline to be placed under the industrial land in the NW1/4 of Section 5 and the SE1/4 of Section 6 in Mapleton Township, it was impossible to find a willing landowner south of Mapleton. I was only able to find one landowner willing to speak to NuStar regarding a point of interconnect. Jon Wanzek was willing to speak to us and eventually to sign an option agreement to sell a one acre site to NuStar.

There are ten (10) landowners between the proposed CHS facility in the SE1/4 of Section 9 in Raymond Township and the proposed point of interconnect (Mapleton Junction Site) in the NW1/4 of Section 9 in Mapleton Township. I worked with these tirelessly to gain their trust and gain their acceptance of the pipeline. NuStar has secured Options for Easement from these participating landowners, they stand behind the proposed project.

As you can see in the addendum to Mr. Gee's letter, there IS NOT going to be a truck loading facility at the CHS property. CHS (their director of safety) has spoken to the State Fire Marshall and he had no concerns, he spoke to the City of West Fargo Fire Department who assured him they were aware of emergency response measures at tank farms from their continual work with the Magellan Tank Farm in West Fargo. CHS and NuStar will hold periodic training sessions and invite all emergency responders to learn more about how to cope with an accident if something happened.

As for the Cass County Master Plan, it is true the CHS facility will displace 60 acres m/l of marginal agricultural land, however the ownership of this facility is a group of farmers, CHS is composed of stockholders who are farmers and the board of directors requires farm ownership to sit on that board. I remember at the January 4th Commission Meeting one of the commissioners suggested that if this subdivision plat was for a fertilizer plant subdivision, it would have passed, it because the product was for agricultural use. Growing the supply of diesel and gas in this market will allow more product to be available for the Jamestown area and will also increase the availability of diesel and gas in this market. This project will help insure a supply of diesel fuel for area farmers in periods which typically had short supplies. As a result of approval of the subdivision plat, there is a possibility the lines of truck tankers at the Magellan and NuStar truck loading facilities may be shorter because often the truckers wait because there is no supply at the tank farm, this facility should reduce or eliminate these seasonal or periodic shortages.

CHS has available options if the subdivision plat is voted down a second time. CHS could lease the 60 acre site from the HAJ Johnson partnership and build the facility, CHS could also purchase the entire quarter section and build the facility, both without subdivision approval needed. These options are not what CHS would like to do, they would like to be able to follow the rules set forth by Cass County and Raymond Township and receive approval from the County Commission. NuStar and CHS have followed the prescribed steps for approval, they went to the grass roots level and after taking into account the groundswell of opposition to the Prosper Site; they chose a site away from Prosper. They kept all parties at the local level in Raymond and Mapleton Townships informed as the process moved forward. CHS gained approval from Raymond Township for re-zoning the site, Mapleton Township for the site in Mapleton Township and the Cass County Planning and Zoning Committee approved the zoning change for the facility.

In the event the subdivision plat is reconsidered, I will have in attendance officials from CHS and from NuStar to properly explain the entire process and explain the inherent safety of modern tank farm facilities. That all safety measures would be followed and all appropriate training would take place as needed.

Please consider this information regarding the CHS facility application for subdivision approval. Once I know when the application will be reconsidered I will have the appropriate people at the meeting to fully explain their projects.

Raymond Township Meeting 12/11/2015

Public Hearing

Meeting called to order at 1:00 PM by Chairman Dane Larsen. David Gust was appointed chairman for said meeting, included is the listing of people attending the public meeting. David Gust opened the meeting with the reading of the letters from NuStar and Cenex Pipeline LLC, in reference to the pipeline conditional use permit and the Cenex Pipeline, LLC request of a zoning change from agricultural to industrial for a proposed tank farm. David Gust disclosed his connection to Cenex Co-op; informing the board he could be impartial in his decision. The meeting was opened to the public for input.

Mick Gee, representing CHS Pipeline LLC discussed the proposed joint NuStar pipeline project and the CHS tank Farm. He discussed what was proposed and the locations of the improvements. He said the tank farm was a storage facility only and that the projects were connected. He stated they could not do one project without the other, he requested that the Board give a favorable vote to change the proposed site in Section 9 from agricultural to industrial.

Matt McGee, representing NuStar Energy presented the pipeline project, where it would be located, that its route has been secured or agreements are in place. The reason for the conditional use permit for the pipeline was to increase the refined fuel products supply in this region. He explained that this pipeline would connect an existing Cenex Pipeline in Section 9 of Raymond Township to an existing NuStar Pipeline in Section 9 of Mapleton Township, from there the products would be shipped to the NuStar Tank Farm facility in Moorhead. NuStar also brought detailed drawings of the project.

The floor was opened for public comments;

<u>Steve Reitan</u> – How big are the tanks that will be installed? (Answer from Mick) The tanks are larger than the Magellan tanks in West Fargo, these are six million gallon tanks.

Glen Libbrecht – Do the tanks have to be painted white? There is no requirement on color but they are usually painted white.

<u>Bruce Johnson</u> — Will a lot of material (dirt) have to be hauled in for the project? I am concerned about all the truck traffic. Yes, there will be a lot of material that will be hauled during the construction period.

Glen Libbrecht – Does the berm around the project have to be built with clay? No, because there will be a 60 mil PVC liner as a part of the berm.

<u>Gary Lee</u> – He informed the attendees that the tank farm would cost \$15 - \$17 million dollars to construct. There would be a yearly tax bill of approximately \$900,000 to \$910,000 per year with Raymond Township receiving approximately \$9,000 per year. He also said the NuStar Pipeline would cost between \$15 and \$20 million to construct.

Glen Libbrecht – He asked if the township road (32nd St SE) had to be improved and who would maintain it? Cenex Pipeline LLC will bear the cost of improvement to this minimum maintenance township road and will maintain it.

<u>David Gust</u> - He asked why the access from the county road was not used? (Answer from Jason Benson, County Highway Superintendent) The County felt the intersection was too close to the railroad crossing.

<u>Hali Durand</u> – (Cass County Planner) – She thought that at the Planning and Zoning meeting held, that the access (requirement to use County 13) was not a part of the approval.

<u>Elton Solseng</u> - He asked how long will the two projects take to construct? The tank farm will take approximately 9 months to construct and the pipeline about 5 months.

<u>Evan Waa</u> – He asked what type of roof construction are planned for the tanks? The tanks will have a metal roof as well as a floating inner roof.

Glen Libbrecht – Will there be trucks hauling fuel out of the site? No, the tank farm is a storage facility only.

<u>Evan Waa</u> – He questioned if the restriction for a truck loading facility could be listed as an option in the approval? (Answer from Supervisor Dane Larsen) Yes, it could be part of the approval.

<u>Dane Larsen</u> – He voiced concern about the 9 month time line for construction, that all the truck traffic and the problems with dust affecting the residents. He stated if water or chloride would be used on the county road? (Answer Jason Benson) The county would be available to assist during that time, he would support the use of chloride.

Dean Rust- He voiced concern about dusty roads during construction.

<u>David Gust</u> – He commented that the request for a zoning change is against the present zoning laws that are in place. He also asked the public in attendance if they are for or against these projects? There were approximately 3- 4 folks from the audience in attendance who were not in favor, the rest were either neutral or in favor.

<u>Wayne Hoglund</u> – He asked if a variance had to be approved for this project (Tank Farm) The board of supervisors responded with a Yes answer.

James Vedal - He stated he was in favor of the projects.

Mike Nelson - He stated he was in favor of the projects.

Evan Waa – He stated the residents of Prosper were not in favor of the projects.

Glen Libbrecht – He asked what happens if we have a wet spell during construction, what is the process to keep the County road in good shape? (Answer Jason Benson) The county would be available to help and respond to problems.

<u>Bruce Johnson</u> – He stated he is in favor of the projects with some concern of the truck traffic problems.

<u>Barry Bowman</u> – He discussed how Cenex Pipeline has been accommodating and has moved from the original proposed site adjacent to Prosper to the present proposed site.

<u>Jason Benson</u> – He reiterated that the County would be available and willing to work with the concerns about road dust. He also stated truck traffic would be less than the sugar beet harvest truck traffic when the piler was located off a gravel county road.

Oly Olafson – He stated he will be the construction liaison on the projects and that his contact information would be available to all during the process.

<u>Dane Larsen</u> – He voiced concern about a fire on the site. Cenex Pipeline LLC has been working with the West Fargo Fire Department, they have been consulted and are comfortable with working Cenex on fire safety. There will be water storage on site but at this time no plans for a hydrant.

After no further public comments the public hearing portion of the meeting was closed.

David Gust indicated to the Board that there were three options to consider.

- 1. They could approve the conditional use permit and variance request
- 2. They could deny both requests
- 3. They could table the requests for future discussion

After a discussion, Barry Bowman made a motion to approve NuStar Pipeline's request for a conditional use permit for the pipeline project and approve the CHS Pipeline request for a variance from agricultural to industrial use for the tank farm project in Section 9 of Raymond Township. Dane Larsen seconded the motion. David Gust again stated his concern about no fire hydrant on site at the tank farm. David Gust called for a vote on the motion; Barry Bowman and Dane Larsen voted in favor of the motion, David Gust voted against the motion.

With a 2-1 vote the motion carried.

Meeting was adjourned at 2:30 PM



January 11, 2016

Commissioner Mary Scherling Commissioner Chad Peterson Commissioner Ken Pawluk Commissioner Arland Rasmussen Commissioner Rick Steen Cass County Commissioners P. O. Box 2806 Fargo, ND 58108-2806

RE: Cenex Pipeline Subdivision, Raymond Township

Dear Commissioners,

With regard to your vote to deny our subdivision request at the January 4th Cass County Commissioner's meeting, I would like to address some of the main issues that were discussed and offer some additional insight into our reasoning for pursuing the site which we have proposed. I would also request that the Commissioners initiate a reconsideration of this decision to deny.

As I perceived the discussion at the meeting, the primary reluctance to approve our subdivision request centered upon two issues: The Proposed Location; and the acceptability of Cenex's proposed project as it relates to Cass County's Comprehensive Plan Goal "To preserve and maintain Cass County's rural heritage"; "Discourage nonfarm development in farming areas".

I offer the following as Cenex's feedback regarding these two issues:

Proposed Location/Site Selection Discussion

The proposed location of the Cenex Prosper Terminal was chosen after numerous other alternatives were considered.

In the beginning of this project, it was proposed that a pipeline be constructed from the terminus of Cenex's pipeline at the Magellan West Fargo Terminal along a route in the BNSF railroad Right of Way and directly into NuStar's Morehead Terminal. In this alternative, the petroleum storage tanks to support this connection would have been proposed for construction at the Magellan West Fargo Terminal. When approached, the BNSF was not

willing to allow this pipeline to be constructed in their Right of Way. In order to continue with this direct pipeline connection alternative, the pipeline would have to be constructed through the cities of West Fargo, Fargo and Morehead. Constructing and maintaining pipelines in areas of street crossings, paved lots, residential yards, etc. is quite costly and can be very time consuming. Securing lengthy pipeline rights of way within city boundaries, whether they are across residential, commercial or industrial properties, is a very difficult task and is not generally viewed as a reasonable alternative. Highly populated areas and/or areas of dense development are typically avoided if at all possible.

Consideration was then given to making the pipeline connection somewhere to the west of West Fargo. In order to locate far enough away from the more highly populated area of West Fargo, sites were explored that were west of the Maple River and west of the proposed Maple River diversion canal project as anything east of these areas would either require construction through West Fargo or would be in areas designated as flood prone.

Primary considerations at this point were to identify sites that were immediately or very close to the existing Cenex Pipeline that is located generally adjacent to the BNSF Railroad Right of Way; and to be no further west than necessary as the two pipelines (Cenex and NuStar) continue to get further apart as they proceed to the west. Terminal sites away from the Cenex Pipeline are not very desirable as they would then require that an additional pipeline be constructed. One line would be required to deliver refined product from the Cenex Pipeline into the proposed terminal and then continue on to the NuStar Pipeline in order to make the needed connection between pipelines. A second line would then be needed in order to pull refined product out of the terminal tankage and return back to the existing Cenex pipeline for deliveries to the Magellan West Fargo Terminal.

Numerous sites were then considered and are described as follows:

Mapleton Industrial Site – Although in an area already zoned Industrial, this site would require the extra cost of a second pipeline as described above. Those in charge of this site were contacted regarding locating our facility there. They indicated that they were not interested in this facility being located within their industrial site.

A site adjacent to the Ethanol Plant North of Cassleton – In addition to the cost of adding a second pipeline, the length of the project to create a connection between Cenex and NuStar is increased by approximately 7 miles, effectively doubling the length of the pipeline route. This site was not pursued further.

Multiple tracts of land along or near the existing Cenex Pipeline – Landowners were contacted for 3 or 4 sites located to the west of Prosper, with most still in the Raymond Township. Of these sites where we felt that the existing landowners may be agreeable to selling their land, all would have worked with varying challenges regarding availability of roads, power, water, etc. None of these sites had any particular attraction over the following two sites to be discussed, and all of these sites required the connecting pipeline to be longer.

Land Parcel south of the Prosper Elevators – This site was initially selected as a good location for our facility as it was adjacent to an existing Industrial site, the current landowner was willing to sell this parcel, and all other needs for roads, power, water, etc. were within reason. Our project was introduced at a Raymond Township meeting in March of 2015 at which a number of local residents expressed their resistance to the construction of our facility at this site. At this point, it was decided to continue our search for a more acceptable location.

The currently proposed site located in the SE/4 of Section 9 in Raymond Township was then chosen for the following reasons:

- This site is about 1.5 miles west of the proposed routing for the Maple River Diversion Canal project.
- This site is west of the areas designated as flood prone.
- This site is adjacent to another Industrial use; that being the BNSF Railroad tracks.
- The existing Cenex pipeline is located in this site, adjacent to the railroad tracks.
- This site has two major electric transmission lines crossing the tract; thus making it less desirable for other uses.
- This site has a well maintained County road (County Road 13) on its east boundary and a low priority Township road on its south boundary.
- There are no residences or buildings located any closer than about ½ mile away.
- Sufficient electric power for the site needs is located within ½ mile of this site.
- Telephone services are reasonably close by.
- A rural water line is located within ½ mile of this site.
- This site is located within the West Fargo Fire District which also covers the area containing the Magellan Terminal; thereby incorporating a fire response awareness that currently exists for a similar facility.
- This site is only 5 to 6 miles north of Interstate 94 for emergency services access.

Comprehensive Plan Discussion

With regard to the issue of Cass County's Comprehensive Plan "To preserve and maintain Cass County's rural heritage"; "Discourage nonfarm development in farming areas", I would suggest to you that this project is in fact a development to support farming.

Cenex Pipeline is a wholly owned subsidiary of CHS Inc. a cooperative that is owned by farmers, ranchers and local cooperatives. CHS is a diversified global company centered in agribusiness. CHS's stated commitment is to provide the needed products & services to our farmer owners that help them grow their businesses. The highest level of management of CHS is a Board of Directors which is made up of 17 of our farmer owners ... 3 of which are from North Dakota. In order to be on the CHS Board, you have to actively be involved in farming or ranching. As a company, CHS supplies crop nutrients (ie. fertilizer), grain marketing services, animal feed, and food & food ingredients. They also provide business solutions including insurance and financial & risk management services. And in the respect that applies to this proposed project, CHS supplies energy products to its' farm based owners.

As a company, CHS is committed to providing inputs specific to farming; such as fertilizer, seed retailing, refined fuels, and propane; as well as assisting with the output side of farming ventures in the areas of grain marketing, grain & oil seeds processing and crop insurance needs. The proposed refined fuels storage facility at Prosper is a part of CHS's overall plan to provide reliable, cost effective and timely supply of refined fuels to their farmer owners. As such, it is an integral part of farm development.

Given the explanations that I am offering above, I would again like to respectfully request that you reconsider your decision to deny our subdivision in Section 9 of Raymond Township. Thank you for consideration of this request.

Respectfully,

Mick Gee Engineering Manager As an addendum to my letter of January 11, 2016, there are two additional issues that have been identified for comment.

Site Use for Trucking Terminal

Cenex Pipeline does not plan to use the site as a trucking terminal. With construction of the new tanks at Prosper and a connection to the NuStar Pipeline, refined product would now be available at two locations, ie. Magellan's West Fargo Terminal and NuStar's Morehead Terminal. This virtually eliminates any economic rationale for constructing yet another terminal in the Fargo area.

In order to assure this, a provision could be added to any motion regarding the proposed Cenex Pipeline Subdivision that would not allow Cenex Pipeline to construct or operate a trucking terminal at this site without obtaining additional approvals. In addition, a Certificate of Zoning Compliance will have to be issued by the Township Zoning Administrator prior to the construction of new facilities at this site. This Certificate could be withheld should a trucking terminal be proposed for construction.

Fire Protection at the Prosper Storage Facility

Cenex Pipeline will construct either a water storage tank or pond for the primary purpose of having sufficient water available to combat a tank fire at the Prosper Terminal. The water supply for this tank will come from the extension of an rural water line that exists approximately ½ mile to west of the proposed site.

The storage tanks at the site will be equipped with foam nozzles and connecting piping for use in smothering a roof fire. In addition, water monitors (water cannons) with foam capability will be available on site for use in firefighting on site.

Preliminary discussions have occurred between Cenex Pipeline's Emergency Response Coordinator and the West Fargo Fire Department. It is planned to continue these discussions to identify their capabilities and to identify any areas of needed support from outside companies that specialize in petroleum fire response. Any outside needs would be contracted by Cenex Pipeline.

Mich See 1/22/16

The original route chosen began with a tank site in the NW1/4 of Section 8-140N-50W, south of the small community of Prosper, ND. The proposed route followed the west east edge of 164th Avenue SE southward through the SW1/4-8, the W1/2-17, W1/2-20 W1/2-29, and the W1/2-32. Continuing along 164th Ave SE through the W1/2 of Section 5 in Mapleton Township and ending in the NW1/4 of Section 8. This route was presented to the Raymond Township Board of Supervisors at their annual meeting in Prosper ND. The proposed location of the tank farm brought out a strong contingent of area residents who were not in favor of the tank farm near the town of Prosper. Very little opposition was voiced about the pipeline though. We met with the City of Mapleton to discuss how NuStar was hoping to put the pipeline through the City of Mapleton Extraterritorial Area. The Planning and Zoning Commission was opposed to the siting of the pipeline within the city of Mapleton. There was also difficulty in finding a willing landowner in either Section 7 or 8 where the point of interconnect to an existing pipeline would be placed. Through meeting with affected landowners, NuStar found some resistance to the pipeline.

We then moved forward looking at alternative routes and alternative locations for the tank farm. The proximity to the existing Laurel Pipeline was taken into account when looking at alternative locations. We spoke to landowners in Sections 1 and 2 in Harmony Township, Sections 36 and 35 in Rush River Townships. We also did a cursory investigation of routes south to interconnect with the existing NuStar pipeline south of I-94. All these routes west of 164th Ave SE would have meant a longer pipeline, which was a negative, and there was some landowner backlash because Harmony Township landowners were approached when the Cap X 2020 Transmission line was built.

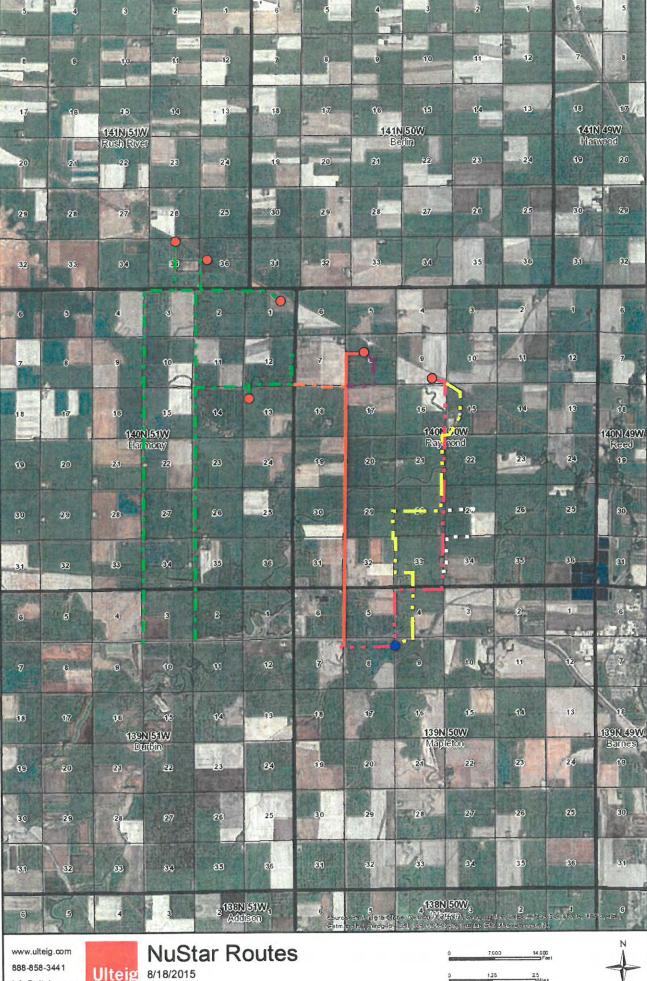
Three tank farm sites were considered, the site finally chosen was located away from the small community of Prosper and NuStar felt a route could be achieved from this point to the point of interconnect south of I-94. Negotiations began with the owners of the land south of the BNSF railroad in the SE1/4 of Section 9, Raymond Township. The 5th route we investigated rand down 166th Ave SE, along the west edge of the road. Negotiations with the landowners went fairly smooth, with the exception of three landowners. The owner of the SE1/4 of Section 16 will be heavily impacted by the proposed Fargo Diversion project and we contacted him on the wrong day. He was adamant that there would never be a pipeline on their family land. The owner of the S1/2 of Section 28 and the SW1/4 of Section 27 was contacted a number of times, phone calls, personal visits to her home, and via email to her son with no or little response. Eventually she called, identified herself, and told one of our agents she had no desire to allow a pipeline on her property. The third individual reluctant to allow a pipeline didn't want the pipeline on the family land in the NE1/4 of Section 33 in Raymond Township. We negotiated with landowners and were able to get an agreement from the owners of the NW1/4 of 34 and the N1/2SW1/4 of 34 to work around the NE1/4 of 33, but were not able to work around the landowner of the S1/2 of 28 and SW1/4 of 27. We investigated going east through the bottom of the NW1/4 of Section 27 and then turning south along the west edge of the SE1/4 of 27 but the proposed Fargo Diversion will be impacting the SE1/4 of 27 and that landowner had no desire to work with the pipeline company. This route was to utilize the east edge of the SE1/4 of 33, the north edge of the N1/2 of Section 4 in Mapleton Township and then the west edge of Section 4 to the Interstate, boring under the Interstate to a point of landing in Section 8 or 9, if we could find a willing participant.

Because of the reticence from landowners along 166th Ave SE and a suggestion from the landowner of the North Half of Section 28, we explored going across the south edge of the N1/2 of Section 28 and then along the east edge of 165th Ave in Sections 29 and 32 in Raymond Township, under Highway 10 into the NE corner of the NE1/4 of Section 5, under the Highway to the east and then back on our previous route to south of I-94. We were able to obtain an Option to purchase 1 acre and an option for the easement from the owners of the NW1/4 of Section 9 so we secured a point of interconnect there. When speaking with Charles Thompson about his land in the SW1/4 of Section 4, he asked if we could place the pipeline easement east of his residence out into the middle of the quarter, which is what we did. We then asked Lonny Vigen if we could move the pipeline out into the middle of his land south of the BNSF railroad line and he agreed. We again ran into opposition from two landowners, a pair of brothers on the E1/2 of Section 32 in Raymond Township. We had a number of meetings with both and couldn't agree to an easement. We were able to get a corner easement in the NE corner of the NE1/4 of Section 32 to transition the pipeline from the east edge of the W1/2 of Section 29 to the West edge of the NW1/4 of Section 33. We were able to get agreements for the pipeline from the owners of land in Section 33 and then were able to convince the owners of the land in the NW1/4 of Section 4 north of the railroad to allow the pipeline to come straight south out of Section 33 and run straight south through Section 4 to the Interstate.

Our secured route, all acquired through face to face, one on one negotiations begins at the proposed tank farm in the S1/2 of the SE1/4 of Section 9, the pipeline will run adjacent to the RR Tracks through the SW corner of the SW1/4 of Section 10, then run south through the NW1/4 of Section 15, then parallel the drain diagonally back to the SW corner of the SW1/4 of Section 15, south into the NW corner of Section 22 and then west into the E1/2 of Section 21, and the NE1/4 of Section 28. The route will then turn west along the south edge of the N1/2 of Section 28 and enter the SE corner of the NE1/4 of Section 29, turn south through the SE1/4 of Section 29 and into the NE corner of the NE1/4 of Section 32, it will then turn east under 165th Ave SE into the NW1/4 of Section 33, follow the west edge of Section 33 to just north of the farmstead in the SW1/4 of 33, then turn east and run out to the approximate mid-point of the SW1/4 where it will turn south and run in a straight line to Interstate 94. The pipe will be bored under the Interstate and follow the frontage road west southwest to the point of interconnect in the NW corner of Section 9 in Mapleton Township.

In the process of acquiring the secured route we have met with; Raymond Township Board (twice), Mapleton City (Planning and Zoning Board) (once), Mapleton Township Board (once to date) Cass County Planner (Hali Durand) (three times), Cass County Highway Dept (twice)

We have spoken by phone with township officials, city officials, County Commissioners, private citizens and county and water board officials.



info@ulteig.com







February 12, 2015

Mr. & Mrs. Charles Bowman 16505 32nd Street SE Harwood, ND 58042-9741

Dear Charles and Alice,

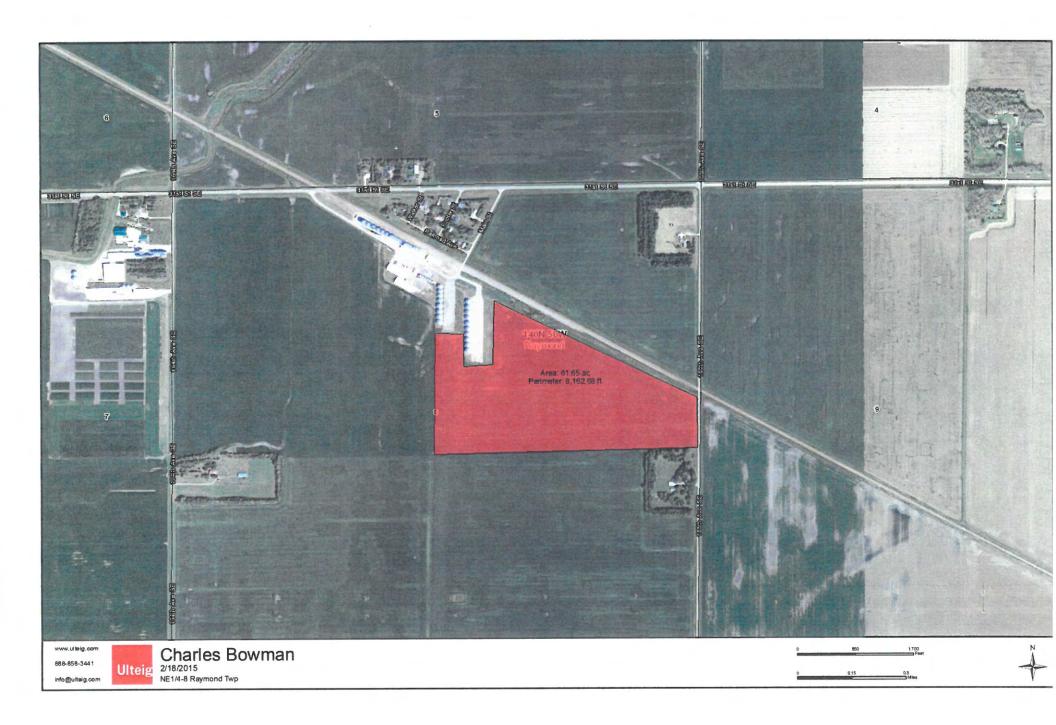
I called you today to arrange an appointment to come to your home and visit with you both about a project in the planning stage between Prosper and just south of Mapleton. NuStar Energy is proposing to place a pipeline between an existing pipeline (CHS) at Prosper south to connect with their pipeline just south of Interstate 94 east of Mapleton.

I am a Right of Way Specialist with Ulteig Engineers in Fargo and we have been hired by NuStar Energy to acquire easements for this pipeline, as well as to purchase land for both Cenex Harvest States (CHS) and for NuStar. I was asked to begin this project by visiting with you, to explain the project and to inquire if you would be interested in selling some land for the project. NuStar is looking for a ten (10) acre parcel for their equipment for the operation of the pipeline; and CHS is looking to acquire between forty and eighty acres for a tank farm and possibly a loading facility. Cenex officials have expressed their location preference to be in close proximity to the Soo Line railroad tracks at Prosper. As the property owner in this area, it is a logical choice to start our contact with you.

Per our previous conversation, you told me there is no land for sale. With that noted, would you be willing to let me come to your residence and discuss the full project with you and give you a better idea of the plans for the project.

I would appreciate the opportunity to visit with you and Alice in person. Please give me a call at your earliest convenience.

Thank You for your time,





3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191 www.ulteig.com

DAILY COMMUNICATION RECORD

Date: <u>February 18, 2015</u>

Contact #1

☑ I Called ☐ I Returned Call	4008 (Home) – 701-282-7476 (Busine Party Called Party Returned Call	☑ I Visited ☐ Party Visited
☐ I Faxed	☐ I E-Mailed	☐ Party E-Mailed
Others on Line		
Subject: <u>Laurel Pi</u>	peline Connection	
UEI Project NoF	R15.00099	
Time: 8:22 AM		
	teig	
Location: On Phone - Ul		
Location: On Phone - Ul		
	e phone, Mrs. Peterson answered a	nd asked me to call Carl on their

Oly Olafson Agent Signature



3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191 www.ullteig.com

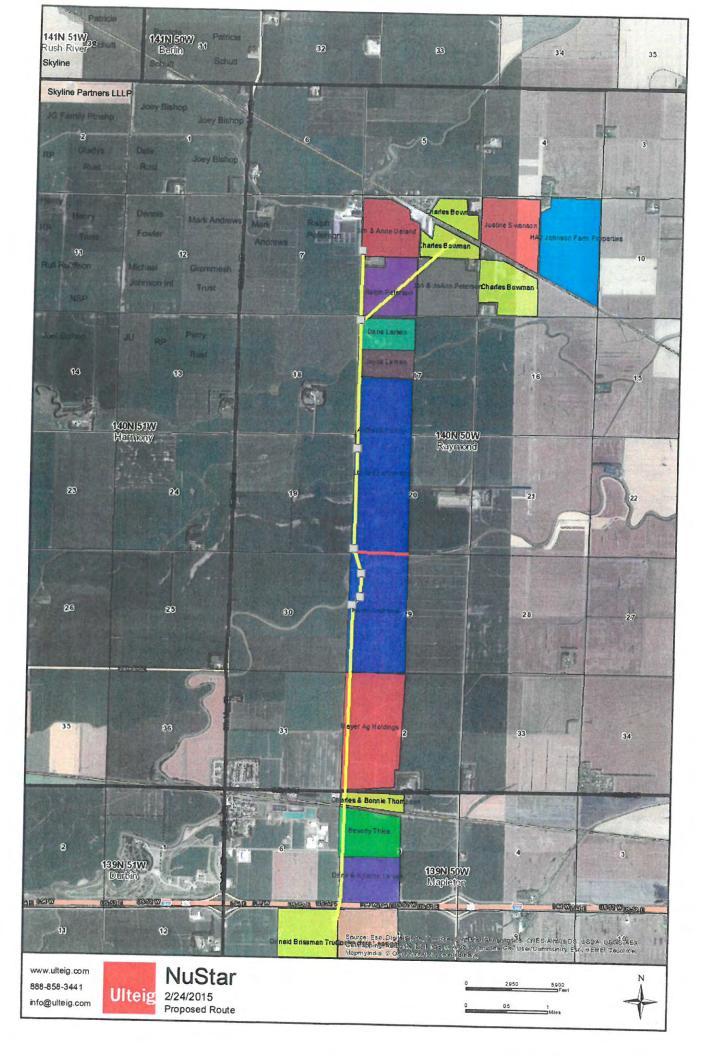
DAILY COMMUNICATION RECORD

Date: February 18, 2015

Contact # 2

	1.5	
I. Oly Olafson receiv	and a call from D	
of16354 30th Street	red a call from <u>Dane Larsen</u>	
0110004 50 * Sifeet	SE, Harwood ND 58042-9729	
Phone Number 701-281-	0373 (Home) 701-367-6329 (Cell)	
701 201 ((Tiome) 701-367-6329 (Cell)	
☐ I Called	☐ Party Called	MINN
☐ I Returned Call	☐ Party Returned Call	☑ I Visited
☐ I Faxed	☐ I E-Mailed	Party Visited
		☐ Party E-Mailed
Others on Line		
Subject: <u>Laurel Pi</u>	peline Connection	
UEI Project No. R	15.00099	
Time:11:15 AM		
Location: On Phone - Ult		
Document. Off Thone - Off	eig	
Dane called ma hade and	And the second second second second	
Dane caned the back and	we discussed the proposed Laurel	Pipeline Connection. I explained to
Dane the project briefly ar	nd how it would affect his land and	his mother's land in Section 17 of
Raymond Township and h	nis and his wife's land in Section 5	of Mapleton Township. I explained
how the size 12	as and his wife's fand in Section 5 (of Mapleton Township. I explained
now the pipeline, as now p	proposed would bisect his land in s	section 17 and follow the west edge
of his mother's land and th	ne west edge of his and Kristine's la	and in the SW1/4 of section 5. I told
him NuStar was proposing	2 30' parmanant	and are are strip for section 5. I told
- The same was proposing	g a 30' permanent easement at \$8,00	00/Acre and a temporary 40'
easement at \$2,000/Acre.		
He asked about the route, I	told him it was preliminary and th	ge one NuStar wanted to be
working on Heached who	y notice 166k A GD X Live	ic one Nustai wanted to begin
TOTALLE OIL TIE USKEU WIL	y not use 166th Ave SE, I told him N	luStar is considering 165th Ave SE
and 166th Ave SE, but is cor	ncentrating on 164th Ave SE at this t	ime.
		hairman. He asked that I send him
information on the project a	and call him after March 1. He is su	wamped doing taxes at this time
and won't be available unti	I that time.	· · · · · · · · · · · · · · · · · · ·

Oly Olafson Agent Signature





February 18, 2015

Mary Hinschberger City Auditor – Mapleton PO Box 9 Mapleton, ND 58059

Dear Mary,

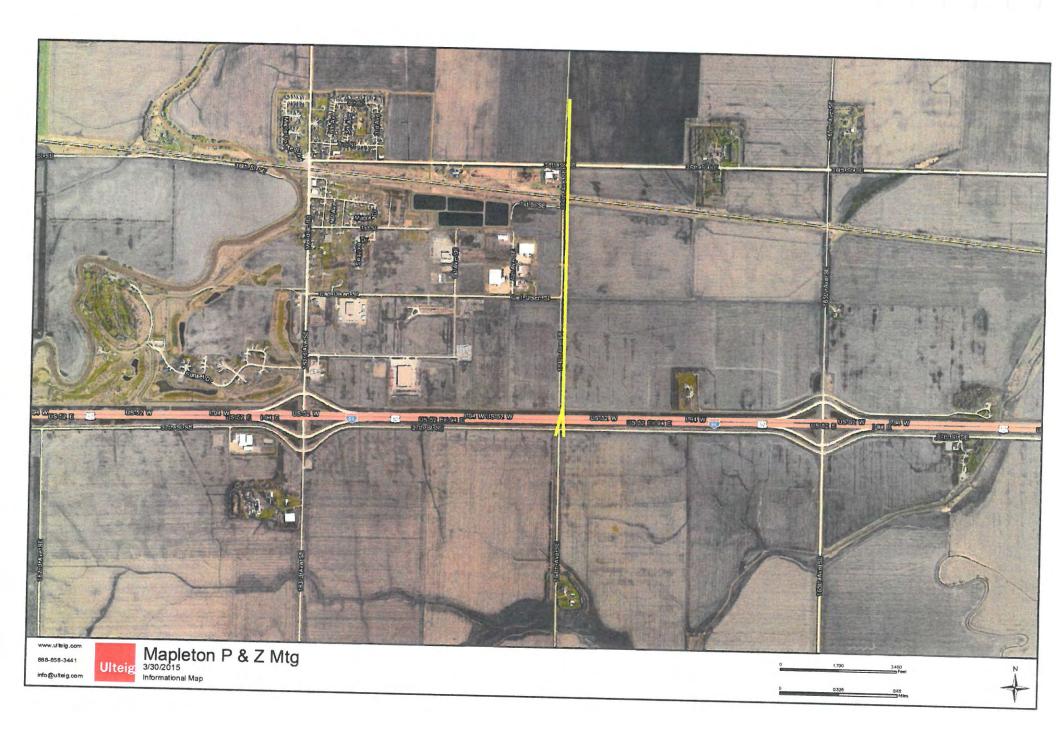
I'm writing to you today to give you some information on a project in the planning stage between Prosper and just south of Mapleton. NuStar Energy is proposing to place a pipeline between an existing pipeline (CHS) at Prosper south to connect with their pipeline just south of Interstate 94 east of Mapleton. I'm enclosing a map showing you the proposed route. The proposed route runs along the west edge of land in Section 32 in Raymond Township and Section 5 in Mapleton Township, within two miles of the city of Mapleton and probably within your extraterritorial jurisdiction.

I am a Right of Way Specialist with Ulteig Engineers in Fargo and we have been hired by NuStar Energy to acquire options and easements for this pipeline. I was asked to begin this project by visiting with the affected landowners, city, and township officials, to explain the project.

NuStar Energy is proposing a 30 foot wide permanent easement along the east edge of 164th Avenue SE, along with a 40' temporary easement with the approval of the landowners. The construction would all take place, as proposed, in the summer of 2016. I am initially attempting to acquire an option agreement with all landowners affected by the route. Once or if approval is granted by the PSC the project will move forward and permanent and temporary easements will be acquired.

I would appreciate the opportunity to visit with the Mayor and Council to give them more information if necessary. I look forward to hearing back from you Mary.

Thank You for your time,





February 18, 2015

Dane & Kristine Larsen 16354 30th Street SE Harwood, ND 58042-9729

Dear Dane & Kristine,

Thank you for returning my call. I called you today to arrange an appointment to come to your home and visit with you both about a project in the planning stage between Prosper and just south of Mapleton. NuStar Energy is proposing to place a pipeline between an existing pipeline (CHS) at Prosper south to connect with their pipeline just south of Interstate 94 east of Mapleton. I'm enclosing a map showing you the proposed route.

I am a Right of Way Specialist with Ulteig Engineers in Fargo and we have been hired by NuStar Energy to acquire options and easements for this pipeline. I was asked to begin this project by visiting with the affected landowners, and Township Officials to explain the project and to inquire if you are interested in participating in the project.

NuStar Energy is proposing a 30' wide permanent easement diagonally across your land in Section 17 of Raymond Township and along the west edge of your land in Section 5 of Mapleton Township and a 40' temporary easement as well. The construction would all take place, as proposed, in the summer of 2016 and would only affect your land for a short period of time. They are proposing to pay market value for the permanent easement and to pay 25% of market value for the temporary workspace. They understand that based on actual loss or contract price at 100% for the construction year and then pay crop damages on a sliding scale for the next three years, 50%, 25%, and 25%.

I would like to initially acquire an option agreement with you. With the option NuStar will pay you 15% of the total permanent easement payment. In the event they pipeline is then built, you will be paid the remaining 85%, if the pipeline for some reason is not built, you will retain the funds paid to you.

I would appreciate the opportunity to visit with you and Kristine, as well as Raymond Township Officials in person when you complete your current tax return project. Please give me a call at any time with any questions you may have.

Thank You for your time,



February 18, 2015

John Rutten Chairman, Mapleton Township Board 16522 41st Street SE Mapleton, ND 58059-9728

Dear Mr. Rutten,

I'm writing to you today to give you some information on a project in the planning stage between Prosper and just south of Mapleton. NuStar Energy is proposing to place a pipeline between an existing pipeline (CHS) at Prosper south to connect with their pipeline just south of Interstate 94 east of Mapleton. I'm enclosing a map showing you the proposed route. The proposed route runs along the west edge of land in Section 5 and the east edge of land in Section 7 in Mapleton Township.

I am a Right of Way Specialist with Ulteig Engineers in Fargo and we have been hired by NuStar Energy to acquire options and easements for this pipeline. I was asked to begin this project by visiting with the affected landowners and township officials, to explain the project.

NuStar Energy is proposing a 30 foot wide permanent easement along the west edge of Section 5 and the east edge of Section 7, with the approval of the owners. We are negotiating with the owners of both parcels, NuStar is also interested in acquiring a 100'x 100' interconnect site in Section 7. The construction would all take place, as proposed, in the summer of 2016. I would like to initially acquire an option agreement with you. With the option NuStar will pay you 15% of the total permanent easement payment. In the event they pipeline is then built, you will be paid the remaining 85%, if the pipeline for some reason is not built, you will retain the funds paid to you.

I would appreciate the opportunity to visit with you and the board regarding this project at your next scheduled meeting. Please give me a call at any time with any questions you may have.

Thank You for your time,



3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191

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DAILY COMMUNICATION RECORD

Date: February 26, 2015

Contact # 2

Agent Signature

	nessage for <u>Carl Peterson</u> SE, Harwood ND 58042-9732	
Phone Number <u>701-282-4</u>	008 (Home) – 701-282-7476 (Busine	<u>ess)</u>
☑ I Called ☐ I Returned Call ☐ I Faxed	☐ Party Called ☐ Party Returned Call ☐ I E-Mailed	☐ I Visited ☐ Party Visited ☐ Party E-Mailed
Others on Line		
Subject: Laurel Pi	peline Connection	
UEI Project No. R	15.00099	
Time: 9:25 AM		
Location: On Phone - Ult	eig	
I called Carl at Peterson Fa	irms Seed, he was in a meeting so	Left a message with his secretary for
him to call me.		, , ,
	Oly	Olafson



3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191 www.ulteig.com

DAILY COMMUNICATION RECORD

Date: March 3, 2015

Contact # 4

of 16354 30th Street	rith <u>Dane Larsen</u> SE, Harwood ND 58042-9729		
Phone Number 701-281-	0373 (Home) 701-367-6329 (Cell)		
☐ I Called ☐ I Returned Call ☐ I Faxed	☐ Party Called☐ Party Returned Call☐ I E-Mailed	☑ I Visited☐ Party Visited☐ Party E-Mailed	
Others on Line			
Subject: Laurel Pi	peline Connection		
UEI Project No.			
Time: 3:30 PM			
Location: On Phone - Ul	teig		

I met with Dane at Farm Credit in Hillsboro and reviewed the project with him. Dane owns two parcels on the potential route and his mother owns another parcel. Dane is Chair of the Raymond Township Board also. Dane and I discussed the proposed project, I showed him maps of the proposed route and we discussed the plans for the project. He was surprised Jim Ueland was interested in selling any land and cautioned me to be careful working with him. He stated as Township Chair he would prefer seeing the route shifted two miles to the east and follow the west side of 166th Ave SE which is a combination of maintained and minimally maintained road.

Dane owns the SW1/4-5- Mapleton Township, the quarter just north of I-29. He is aware the land directly west of his land is owned by Mapleton Investors and is being offered for sale for \$20,000/Acre and believes compensation to him for this quarter should be similar to that value. I let him know the NW1/4 of this section is selling on March 13th, that was news to him. When I told him who one of the buyers was he immediately suggested if the route runs along the edge of the NW1/4 of five, the route could just as easily run along the east edge of the SE1/4 of 6 and stay out of his land. I asked if \$8,000/Acre was reasonable for land nearer to Prosper and he indicated that was a reasonable offering price. He asked how close one could build to the pipeline and if anything could be built over the pipeline, I told him I'd find out for him. I explained that

NuStar would be reasonably accommodating to the Township on some improvements to 164th

Ave SE during the construction season and would leave this minimum maintenance road in as good or better condition after construction as it was prior to construction.

He questioned why NuStar was considering purchasing 40 acres near Prosper, agricultural land when there is industrial/commercial land available from Mapleton Investors just north of I-29. I told him the 40 acre location was a request of both NuStar and a probable partner or future owner Cenex Harvest States.

I told Dane I would get his question answered and keep him informed. I told him I would meet with the Township Board if requested.

Oly Olafson Agent Signature



3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191

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DAILY COMMUNICATION RECORD

Date: March 3, 2015

Contact # 3

☑ I Called	4008 (Home) – 701-282-7476 (Busine ☐ Party Called	☐ I Visited
☐ I Returned Call	☐ Party Returned Call	☐ Party Visited
☐ I Faxed	☐ I E-Mailed	☐ Party E-Mailed
Subject: Laurel Pi UEI Project No I		
Time: <u>8:37 AM</u> Location: <u>On Phone - Ul</u>	teig	

Oly Olafson Agent Signature



March 9, 2015

Jane Marie Skarvold Kjosen 21861 Caminito Drive Trabuco Canyon, CA 9267903401

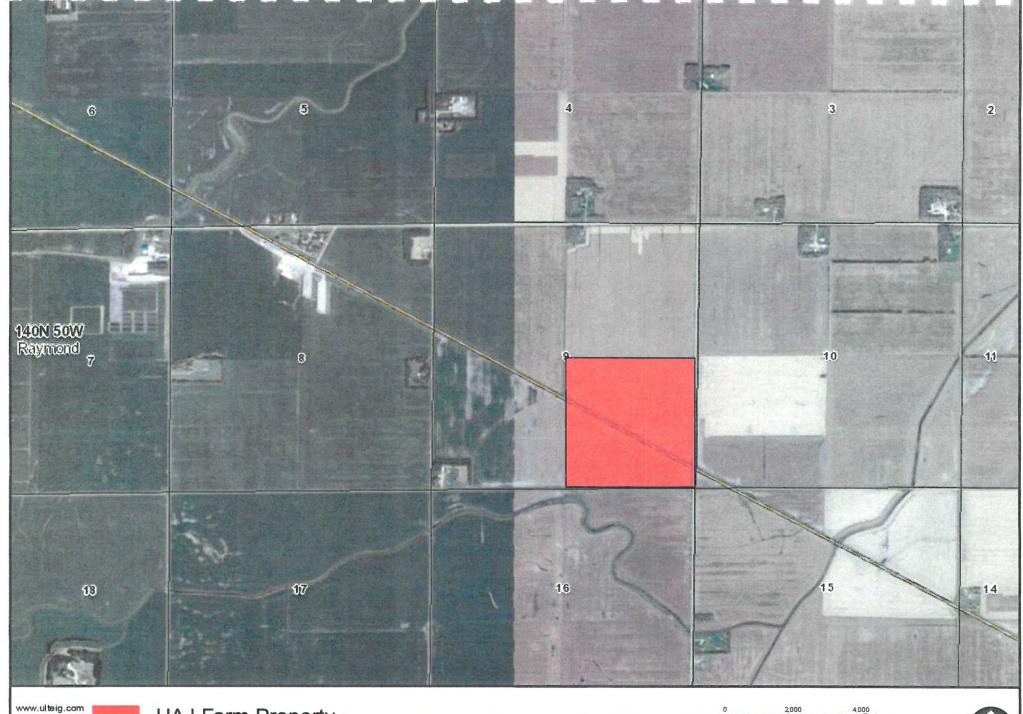
RE: Pipeline Project - Raymond Township, Cass County ND

Ron,

I am working with NuStar Energy to place an 8" pipeline from the Prosper, ND area to just South of I-94 in Cass County. I am contacting you as one of the general partners in the HAJ Johnson Farm Properties LLLP. NuStar is planning on constructing an 8" pipeline to connect a Cenex-Harvest States pipeline which is located just south of the railroad tracks as they run through your land in the SE1/4-9 Raymond Township to connect with their NuStar pipeline with is located just South of I-94 in the NE1/4 of Section 9 Mapleton Township.

NuStar would like me to visit with you or whomever you think would be the best contact about the possibility of purchasing up to 80 acres of the land owned by HAJ Johnson Farm Properties, LLLP in the SE1/4 of Section 9, Raymond Township. I have measured, with the assistance of GIS, the acreage south of the RR tracks in the SE1/4 of 9 and there appears to be approximately 60 acres with the balance of the quarter being north of the railroad tracks.

I have tried to contact you by phone but apparently don't have a working phone number. I attempted to contact Harry Johnson but was unable to find him in the Fargo area. Please give me a call at your earliest convenience so we can discuss the possibility of a purchase.



888-858-3441 info@ulteig.com



HAJ Farm Property

3/16/2015 SE1/4-9-140N-50W 0 2000 4000 Feet
0 0.375 0.75 Mbs





3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191

www.ulteig.com

DAILY COMMUNICATION RECORD

Date: March 11, 2015

Contact # 2

I Called	☐ Party Called	☑ I Visited
☐ I Returned Call	☐ Party Returned Call	☐ Party Visited
☐ I Faxed	☐ I E-Mailed	☐ Party E-Mailed
Others on Line		
Subject: Laurel F	ipeline Connection	
UEI Project No.	R15.00099	
Time: 8:35 AM		
Location: On Phone - U	lteig	
I called John and left a m	essage for him regarding NuStar. I	let him know KC Purgason and I as
well as possibly others w	rill be at the meeting to give the tow	nship board and those in attendance

Oly Olafson Agent Signature



3350 38th Ave. S, Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191

www.ulteig.com

DAILY COMMUNICATION RECORD

Date: March 11, 2015

	Co	ontact #1
I, <u>Oly Olafson</u> , emaile of <u>Cass County ND</u>	ed to <u>Hali Ann Durand, County I</u>	Planner
Phone Number <u>701-298-2</u>	395 (Office) durandh@casscountyn	nd.gov (Email)
☐ I Called ☐ I Returned Call	☐ Party Called ☐ Party Returned Call	☐ I Visited ☐ Party Visited
☐ I Faxed	☐ I arry Returned Carr	Party E-Mailed
Others on Line		
Subject: NuStar G UEI Project No. R15.000	•	
Time: 1:10 PM		
Location: <u>Ulteig - Fargo</u>		
I heard from Steve Roane tank farm just south of Pro		d in the zoning request for a possible
		at the Prosper Elevator the township
		up to three employees of NuStar will
	in the pipeline, the route, the process and tank farms, possibility the ed	ess they have went through up until conomic benefits of both, etc

Dane Larsen, the board, NuStar, and I would love to see you attend if it fits into your schedule. It

would be a perfect opportunity to get all the information you need for the zoning process.

Oly Olafson Agent Signature



3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191

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DAILY COMMUNICATION RECORD

Date: March 17, 2015

Raymond Township Annual Meeting - Notes

NuStar Energy (Gary Koegeboehn & KC Purgason); CHS (Richard Peterson, Chad Pistulka, Michael Gee); Ulteig Engineers, Inc. (Oly Olafson)

The Raymond Twp annual meeting was called to order at 4:00PM, the Township Clerk introduced the NuStar and CHS personnel and asked for a brief description of the pipeline and tank farm proposed for Raymond Township. Gary Koegeboehn provided an overview of NuStar and the proposed pipeline, Rick Peterson gave the gathered crowd information on the tank farm. Prosper is a small community, one of the proposed locations for the tank farm is adjacent to and south of the Maple River Grain Elevator south of the town of Prosper. There were approximately 20 – 25 people at the meeting as well as four of the five township board members and the County Planner, Hali Ann Durand. A number of people had questions, most dealing with the safety of having a tank farm in such close proximity to the town and many about what plans are in the future for the tank farm. Will there be more than two tanks built? How many more? Will there be trucks coming and going loading product out of this tank farm? Will the tank farm also handle propane or anhydrous ammonia? Will a rail spur be built into the tank farm? What will the trains bring to the tank farm? The meeting lasted well over an hour and at the conclusion the consensus of those present was that near Prosper was not a good place to put a tank farm. Less was said about the pipeline though, one question about if their home would lose value because of the presence of the pipeline was answered quickly with an appropriate answer.

Mapleton Township Annual Meeting - Notes

NuStar Energy (Gary Koegeboehn & KC Purgason); Ulteig Engineers, Inc. (Oly Olafson)

This township meeting only had six in attendance, three from Mapleton Township and three from neighboring townships who were there for an entirely different reason. Gary gave a brief overview of the proposed pipeline project and we answered a few questions. Overall the reception was good by the Mapleton Township officials.

Agent Signatur	re
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Stefan Olafson

From:

Stefan Olafson

Sent:

Monday, March 23, 2015 8:11 AM

To:

'M B'

Subject:

NuStar Energy - Laurel Pipeline Interconnect

Mark,

Please give me a call when you have time so we can discuss the interconnect point for the Laurel Pipeline. Because the trust land is within 2 miles of the town of Mapleton the planning and zoning for the pipeline is controlled by the City of Mapleton, not Mapleton Township. We met with the folks from Mapleton Township and gave them an overview of the plans with really no negative comments at all. The City of Mapleton has a planning and zoning meeting on the 31st of the month and NuStar plans to attend to give the planning and zoning board an overview of the project and to discuss the pipeline crossing the eastern edge of the city.

NuStar would like to acquire an option on the Brissman Trust land to build the interconnect point. I would like to begin negotiations for that in the near future if you are interested.

I will call you if you give me a good time when to call.

Oly

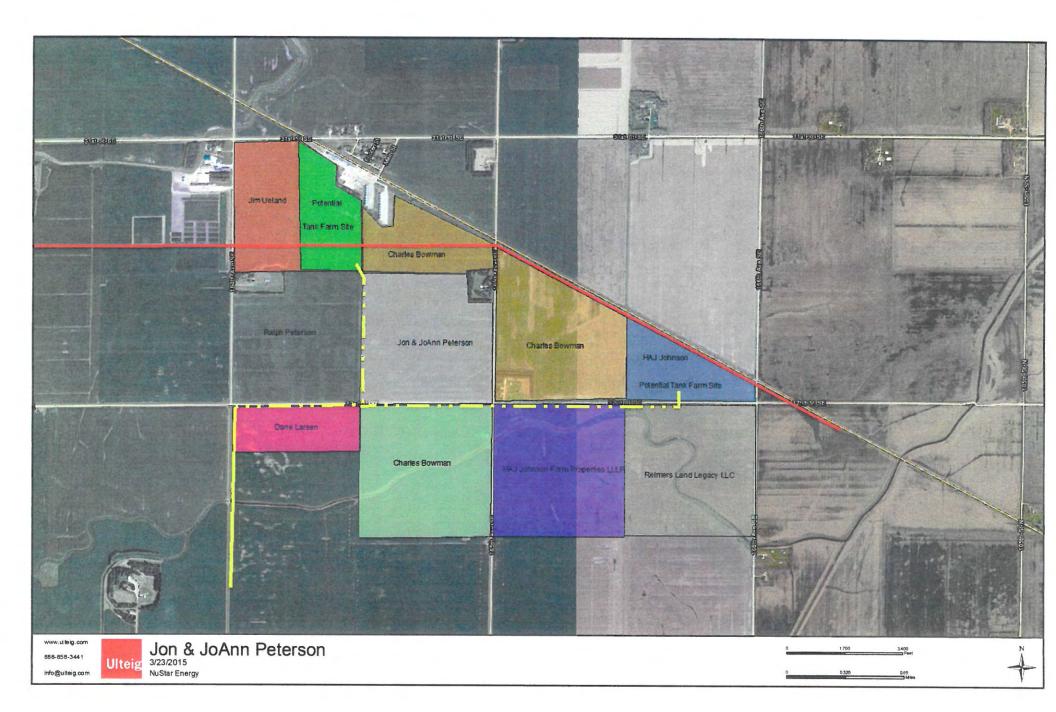


Stefan "Oly" Olafson, CGRPA

Senior Right-of-Way Specialist 3350 38th Avenue South • Fargo, ND 58104 Direct: (701) 280-8628 • Mobile: (701)205-8855 www.ulteig.com

Find Ulteig on: <u>Facebook</u> | <u>Twitter</u> | <u>LinkedIn</u> | <u>YouTube</u> Click <u>here</u> to sign up for our monthly newsletter, Connect.

CONTREM NATION OF A United STATE OF THE STAT





March 24, 2015

James & Anne Hagensen 16460 38th Street SE Mapleton, ND 58059

Dear Mr. and Mrs. Hagensen,

NuStar Pipeline Operating Partnership L.P. ("NuStar") is proposing to install an eight inch (8") diameter pipeline that will connect an existing Cenex Harvest States ("CHS") pipeline near Prosper, ND and an existing NuStar pipeline running south of Interstate 94 east of Mapleton (the "Project").

I am a Right of Way Specialist with Ulteig Engineers in Fargo, ND acting as a contractor on behalf of NuStar who is seeking to acquire options and easements for the Project.

NuStar is seeking to acquire a 100' x 100' permanent surface easement on your land in the NE1/4 of Section 8 of Mapleton Township (the "Surface Easement"). The Surface Easement will need to be fenced and will have above ground appurtenances associated with the operation of the pipelines. In addition to the Surface Easement, NuStar is seeking a thirty foot (30') wide permanent easement along the east boundary of your land in Section 8 of Mapleton Township as well as a forty foot (40') temporary workspace easement to be used during initial construction of the pipeline (the "Pipeline Easement"). Construction is planned for the summer of 2016. NuStar is proposing to pay market value for both the Surface Easement and the 30' permanent easement and to pay 25% of market value for the 40' temporary workspace easement. NuStar understands that during the year of construction, the crops planted on the affected area will be removed. NuStar will pay crop damages based on actual loss or contract price at 100% for the construction year and then pay crop damages on a sliding scale for the next three years at 50%, 25%, and 25%. Also included is a map showing a proposed location of the Surface Easement and the Pipeline Easement. The red square on the aerial map is sitting above the approximate location of the existing NuStar pipeline.

I would like to initially to speak to you about acquiring an option agreement for the easement. With the easement option, NuStar will pay you 15% of the total easement payment. Before the pipeline goes into construction, you will be paid the remaining 85%. If the pipeline is not built or NuStar does not exercise the option, you will retain the initial 15% of the total easement payment.

I would appreciate an opportunity to meet with both of you in person at your earliest convenience to discuss the project in further detail and answer any questions you might have.

Thank you for your time,

Stefan "Oly" Olafson Contractor for NuStar Pipeline Operating Partnership L.P. Ulteig Engineers, Inc. 701-280-8628 701-205-8855 oly.olafson@ulteig.com



www.ulteig.com

DAILY COMMUNICATION RECORD

Date: March 26, 2015

Contact # 2

I, <u>Oly Olafson</u> , emaile of <u>Cass County ND</u>	ed to <u>Hali Ann Durand, County</u>	Planner
Phone Number <u>701-298-2</u>	2395 (Office) durandh@casscountyr	nd.gov (Email)
☐ I Called ☐ I Returned Call	☐ Party Called ☐ Party Returned Call	☐ I Visited ☐ Party Visited
☐ I Faxed Others on Line	☑ I E-Mailed	☐ Party E-Mailed
Subject: NuStar C UEI Project No. R15.000		
Time: 4:15 PM		

CHS and NuStar Energy are still interested in locating a pipeline (NuStar) and a tank farm (CHS) in the general vicinity of Prosper, ND. I am waiting to hear from representatives of the HAJ Johnson Farm Partnership about land located south of the railroad track in the SE1/4-9-140N-50W (Raymond Township). I've spoken to a representative of Skyline Partners about land in the NW1/4-36-141N-51W (Rush River Township) and will be visiting with Joey Bishop about some land in the N1/2 of 1-140M-51W (Harmony Township) tomorrow afternoon. I am also trying to track down a representative of Patricia Schutt who owns land in the SW1/4 '-31-141-50 (Berlin Township)

The reception at the Raymond Township meeting has both NuStar and CHS concerned about the Ueland land property just south of Prosper. Jim has been visiting with quite a few of the neighbors that were at the meeting in Prosper and it turns out a lot of them had a misconception of where the CHS pipeline is located and the proposed location of the tanks. That seems to have swayed a majority of those he has spoken to into at least a neutral position on a possible tank farm there.

Skyline Partners, Joey Bishop, and quite likely the Johnson Partners are willing to discuss a tank farm being located on their property also.

I'm wondering from a planning perspective what your thoughts are? Jim called me this morning and said he had stopped in and spoke to you and he thought you were kind of leaning towards the location south of Prosper.

Can you give me your thoughts as county planner on what would be the best choice for CHS?

Location: <u>Ulteig - Fargo</u>



3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191 www.ulteig.com

DAILY COMMUNICATION RECORD

Date: March 27, 2015

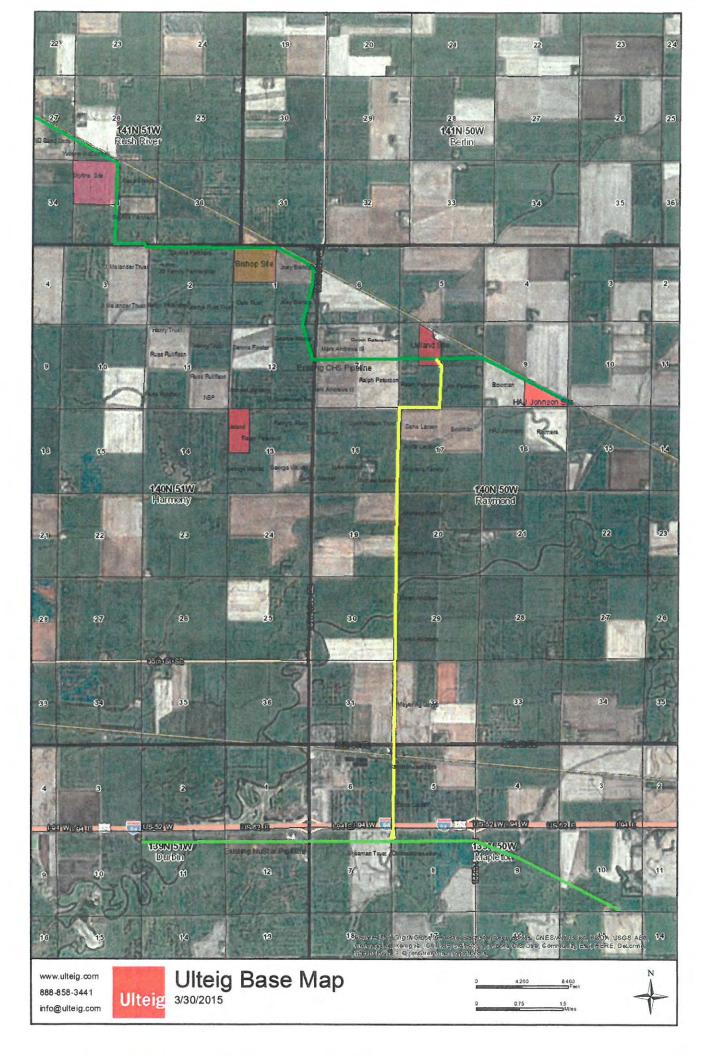
Contact #____3

I, Oly Olafson , spoke to _ of Cass County ND	Hali Ann Durand, County Pla	nner
	(Office) durandh@casscountynd.į	gov (Email)
☐ I Called ☐ I Returned Call	☐ Party Called ☐ Party Returned Call	☐ I Visited ☐ Party Visited
☐ I Faxed	☑ I E-Mailed	☐ Party E-Mailed
Others on Line		
Subject: NuStar Gas P	ipeline	
UEI Project No. R15.00099		
Time: 9:30 AM		
Location: <u>Ulteig – Fargo</u>		
I spoke to Hali regarding my	email I sent yesterday afternoon.	Hali hadn't looked at her county

I spoke to Hali regarding my email I sent yesterday afternoon. Hali hadn't looked at her county map to see the exact location of the other possible sites so couldn't speak very well on those.

At yesterday's monthly planning board meeting she brought up the Ueland site and discussed it with those on the county board. Their consensus was there are no issues from them on utilizing the Ueland property for the tank farm. She explained that the township meeting was kind of rocky with around twenty residents of the township in attendance, but she also told them that Jim Ueland had spoken to many that were in attendance and once they had a better picture of where the existing CHS pipeline runs through the Ueland land and an approximate location of the proposed tanks on the southern portion of the land there was considerably less opposition.

One thing she did tell me was if the Ueland land is utilized or if any land is purchased which is less than the full ownership (in the case of the Ueland land) a portion of the NW1/4, there would have to be a subdivision created through the county planning process.





DAILY COMMUNICATION RECORD

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Date: March 31, 2015

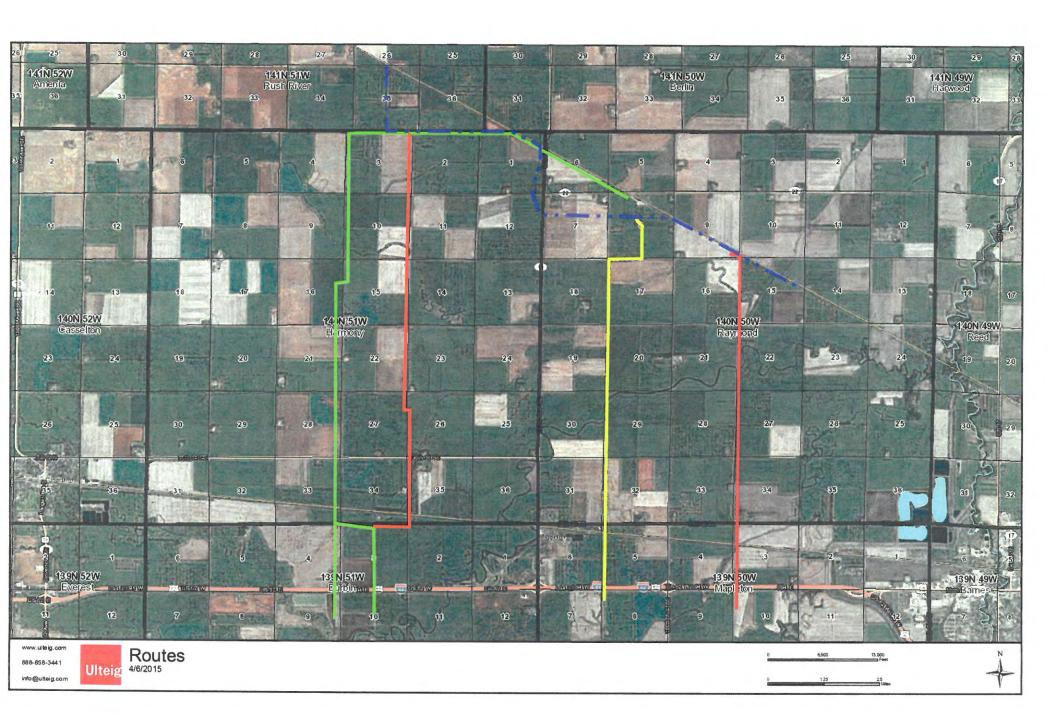
Contact # 1, 2, and 3

I, Oly Olafson , received an email from <u>Jeff Kjosen</u> of 21861 Caminito Drive Trabuco Canyon, CA 9267903401

Phone Number 913-909-1844 □ I Called ☑ Party Called ☑ | Visited ☐ I Returned Call ☐ Party Returned Call ☐ Party Visited □ I Faxed □ I E-Mailed ☐ Party E-Mailed Others on Line Laurel Pipeline Connection Subject: UEI Project No. R15.00099 Time: 12:07 PM Location: On Phone - Ulteig This afternoon I received the following response; We are interested in selling the land in section 9. What are the next steps? Hope the nice weather continues. Today I sent the following email to Jeff Kjosen Good day to you, it's a marvelous March 31st in Fargo ND, almost 70 degrees this afternoon! My clients are wondering if you have given any consideration to the opportunity to sell land in Section 9 of Raymond Township? CHS is looking at multiple sites and would like to know your interest.

3/19/2015 – I received an email from Jeff Kjosen whose wife is one of the general partners in the HAJ Johnson Farm. I had written them a letter and he responded with some general questions on the project. The email back to him is below;

Currently there is a CHS (Cenex Harvest States) pipeline running along the south edge of the railroad tracks on your land in Section 9 of Raymond Township. That pipeline follows the tracks to the next section line then travels straight west across the fields south of Prosper, continuing straight west a mile or more past Prosper before turning right and again following the railroad. CHS is proposing to purchase your land in the SE1/4 of Section 9, preferably the land south of the railroad tracks to construct their tank farm. NuStar is a pipeline transmission company and they are working in tandem with CHS to build an interconnect pipeline from the CHS pipeline south to the NuStar existing pipeline just south of Interstate 94 in Mapleton Township.





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DAILY COMMUNICATION RECORD

Date: April 28, 2015

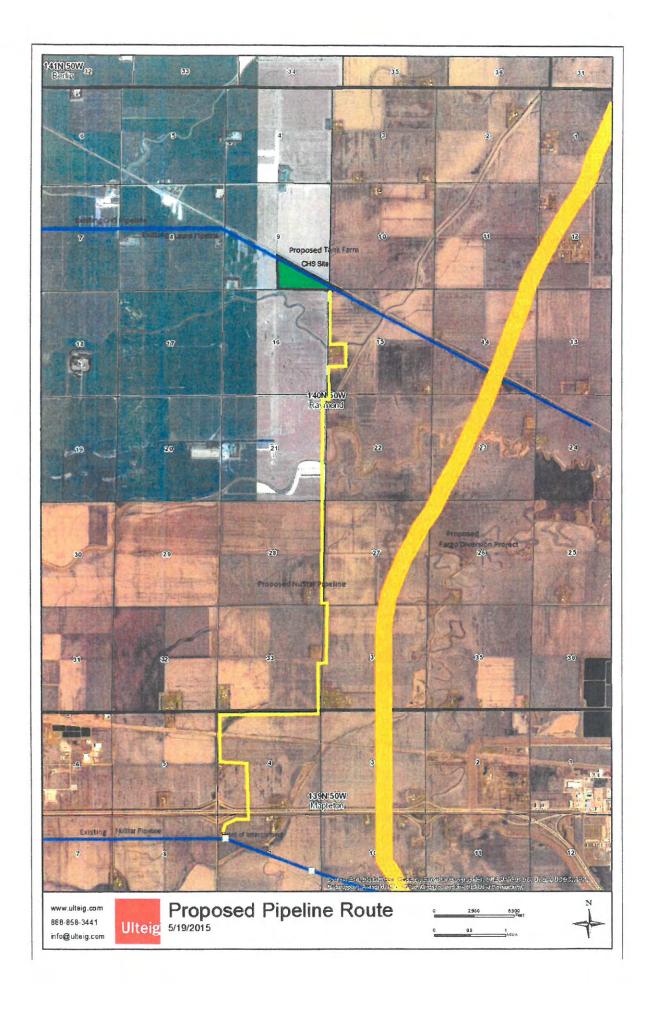
Contact #1

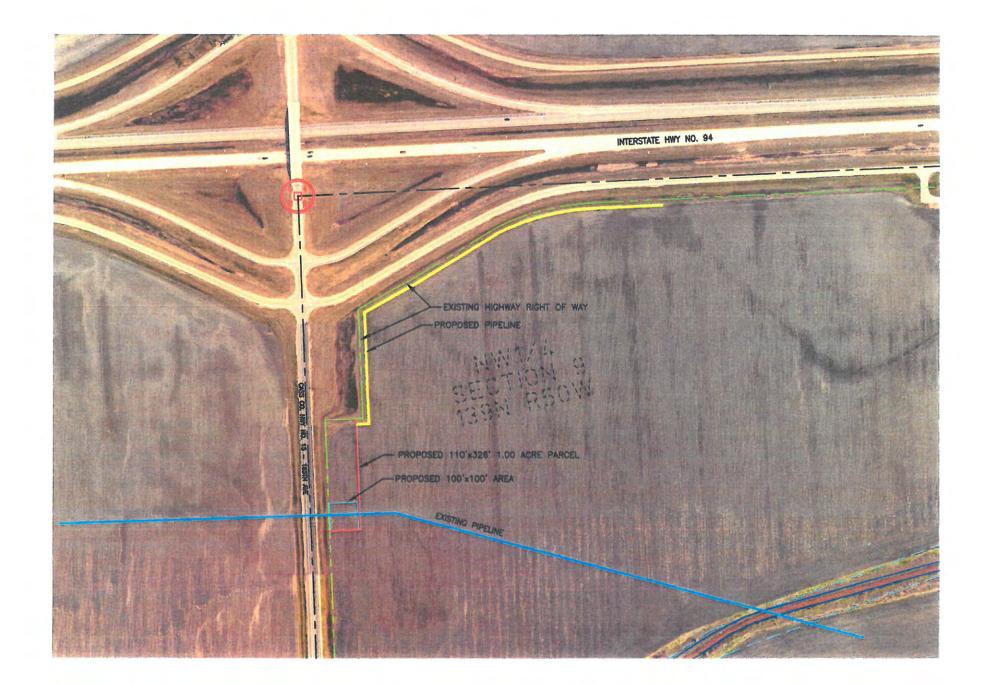
I, Oly Olafson, emaile of 21861 Caminito I	d <u>Jeff Kjosen</u> Prive, Trabuco Canyon CA 92679-3	<u>3401</u>
Phone Number <u>913-909-1</u>	844	
☐ I Called ☐ I Returned Call ☐ I Faxed	☐ Party Called☐ Party Returned Call☐ I E-Mailed	☐ I Visited ☐ Party Visited ☐ Party E-Mailed
Others on Line		
Subject: Laurel Pi UEI Project No. R	peline Connection 15.00099	
Time: 8:15 AM Location: Home		
I emailed Jeff;		
NuStar and CHS are worl the RR tracks in Section 9	king on putting together an optior of Raymond Township.	n to purchase for the 60 acres south of
with Lonny Vigen? NuS Lonny and what it will po	tar and CHS want to know what tentially cost them to buy him out airly complicated farm leases acro	get a copy of the land lease you have at type of agreement you have with tof the lease on that land. In the past ss the country and just want to know
would like your assurant Northwest Quarter of Sec	ce that you would allow a pipel	a purchase of the property, NuStar line easement along the edge of the pay \$8,000/Acre for a 30' permanent ing the year of construction.
NuStar and CHS are plant to do some non-invasive s Please let me know if that	survey work on the land south of	vork and would like your permission the RR tracks and the NW1/4 of 16.
Thanks and I look forward	to hearing back from you.	
This morning at 11:30 I cal	led Jeff and visited to make sure h	e had received the email. He

acknowledge receipt and let me know the farm lease is a one year lease. He is okay with survey (I wanted to check once again on that) and he is visiting with his other partners on the pipeline,

but it sounded like he would be okay with that and will more than likely get back to me tomorrow.

He told me I could send the option to both he and his wife and to his sister in law and her husband so they both could read through it. He told me they would be visiting with their attorney about the option and purchase once they get the option paperwork..







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DAILY COMMUNICATION RECORD

Date:	6/18/2015	
Conta	ct # <u>7</u>	

I, <u>Stefan "Oly" Olafson</u>, talked with <u>Dane Larsen</u> of <u>Chairman of the Raymond Township Board</u>

☐ I Called	☐ Party Called	I Visited	
☐ I Returned Call	☐ Party Returned Call	☐ Party Visited	
☐ I Faxed	☐ I E-Mailed	☐ Party E-Mailed	
Others on Line			
Subject: <u>Laurel Pipeline</u>	Interconnect		
UEI Project No. R15.00	099		
Time: <u>3:30 PM</u>			
Location: Farm Cre	edit - Hillsboro		

I met Dane at Farm Credit where he works on a part time basis to discuss the project and provide him with the potential route. We discussed the project for quite a while with Dane asking why the pipeline route is where it's at and why other routes didn't work. I answered all his questions about the project. He told me the Tank Farm came up as a point of discussion at the County Commission meeting earlier this week. He asked if we had heard anything from the county commission, he told me Ken Pawluk, a commissioner who lives and farms near Harwood isn't in favor of the tank farm at this time. Dane also mentioned a Raymond Township Board Member, Dave Gust also isn't to enthused about the location of the tank farm. I will call both tomorrow and try visit with them and gauge their feelings on both the Tank Farm and the pipeline.

Dane appreciated the update, he had heard from many in the township but hadn't heard of the increase in payment, nor the difficulty with getting an answer from either of the Meyer brothers. He did say Scott and Jay used to farm together but since they discontinued that relationship they don't see eye to eye on many things.

Stefan "Oly" Olafson Agent Signature



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DAILY COMMUNICATION RECORD

Date: June 19, 2015

Contact #1

Phone Number <u>701-282-9</u>	764 (Home) 701-261-6162 (cell pho	ne)
☑ I Called	Party Called	☑ I Visited
☐ I Returned Call ☐ I Faxed	☐ Party Returned Call☐ I E-Mailed	☐ Party Visited ☐ Party E-Mailed
	15.00099	
UEI Project NoR	15.00099	
Time: 8:40 AM Location: On Phone - Ult	eig	
	e Raymond Township Board. He	was not available so I left a detailed
I called Dave who is on th		



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DAILY COMMUNICATION RECORD

Date: June 19, 2015

Contact #1

I, Oly Olafson, left a r of 2808 28th Avenue	message for <u>Ken Pawluk</u> South, Fargo ND 58103	
Phone Number <u>701-239-0</u>	0144 (Home) 701- (cell phone)	
	☐ Party Called ☐ Party Returned Call ☐ I E-Mailed	☑ I Visited☐ Party Visited☐ Party E-Mailed
Others on Line Subject: Laurel Pi	* . · · · · · · · · · · · · · · · · · ·	
UEI Project NoI Time: 8:45 AM Location: On Phone - UI		
		Dane Larsen told me he had heard tank farm and hadn't spoken in favor
of the location of the tank		Ken and asked him to call me back
to discuss or meet.		



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DAILY COMMUNICATION RECORD

Date: June 26, 2015

Contact # 2

	9764 (Home) 701-261-6162 (cell pho	ne)
☑ I Called	☐ Party Called	☑ I Visited
☐ I Returned Call ☐ I Faxed	☐ Party Returned Call☐ I E-Mailed	☐ Party Visited ☐ Party E-Mailed
Others on Line		
Subject: Laurel Pi	peline Connection	
Subject: Laurel Pi UEI Project NoI	•	
	•	
UEI Project No.	R15.00099	
UEI Project No F Time: 10:21 AM Location: On Phone - UI	teig	was not available so I left a detailed
UEI Project No I Time: 10:21 AM Location: On Phone - UI I called Dave who is on the	teig	



3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191 www.ulteig.com

DAILY COMMUNICATION RECORD

Date: June 26, 2015

Contact # 2

I, Oly Olafson lef of 2808 28th Aver			
Phone Number 701-2	39-0144 (Home) 701	- (cell phone)	
☑ I Called ☐ I Returned Call	☐ Party ☐ Party	Called Returned Call	☐ I Visited☐ Party Visited☐
☐ I Faxed	☐ I E-M	ailed	☐ Party E-Mailed
Others on Line Subject: Laure UEI Project No Time: 10:25 AM Location: On Phone	el Pipeline Connecti R15.00099		
Ken spoke at the last of	county commission	meeting about the	Dane Larsen told me he had heard tank farm and hadn't spoken in favor Ken and asked him to call me back



3350 38th Ave. S. Fargo, ND 58104 Tel 701-280-8500 Fax 701-237-3191 www.ulteig.com

DAILY COMMUNICATION RECORD

Date: June 26, 2015

Contact #3

	Harwood, ND 58042-9742	
Phone Number <u>701-282-9</u>	9764 (Home) 701-261-6162 (cell pho	ne) agust38039@aoi.com
☑ I Called ☐ I Returned Call ☐ I Faxed	☐ Party Called ☐ Party Returned Call ☑ I E-Mailed	☑ I Visited ☐ Party Visited ☐ Party E-Mailed
Others on Line		
Subject: Laurel P		
UEI Project No.	R15.00099	
Time: 10:21 AM		
Location: On Phone - U	lteig	
I called Dave who is on t	he Raymond Township Board. He	was not available so I left a detailed
message and asked him t	to give me a call. I told him I'd like	to meet with him and discuss the
projects and try answer a	and questions and address any con-	cerns ne may nave.
10:45 - Dave called me b	ack to let me know he doesn't have	any particular problems with the
projects but just wants to	he able to hear what NuStar and C	CHS have to say in their CUP
	De able to flear what Nustai and C	
Treatings before the make		
	es his decision.	
	es his decision.	
Dave mentioned that bed	es his decision.	rter section of land, the property has
	es his decision.	
	es his decision. Cause the CHS site is a part of a quarision process prior to the CUP hear	



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DAILY COMMUNICATION RECORD

Date: June 29, 2015

I, Oly Olafson , met with meet with Lonny Vigen and Sc		ompson, Jay Meyer. Was not able to
☐ I Called ☐ I Returned Call ☐ I Faxed	☐ Party Called ☐ Party Returned Call ☐ I E-Mailed	☑ I Visited☐ Party Visited☐ Party E-Mailed
Others on Line		
Subject: Laurel Pipeline	Connection	
UEI Project No. R15.00	099	
with Glen Libbrecht, Charles T	hompson, and Jay Meyer. Is vas no one home at either. I w	nent and Memorandum of Easement topped at Lonny Vigens and at Scott vill get a hold of both tomorrow so all erty will have their options.
		read through the doc's, take them to down with them and hammer out
Jay Meyer was hoping we were	e done working with him, I to	ld him I was just giving him a break.
I told him the same, that I'd cal		
		Olafson
	Ag	ent Signature



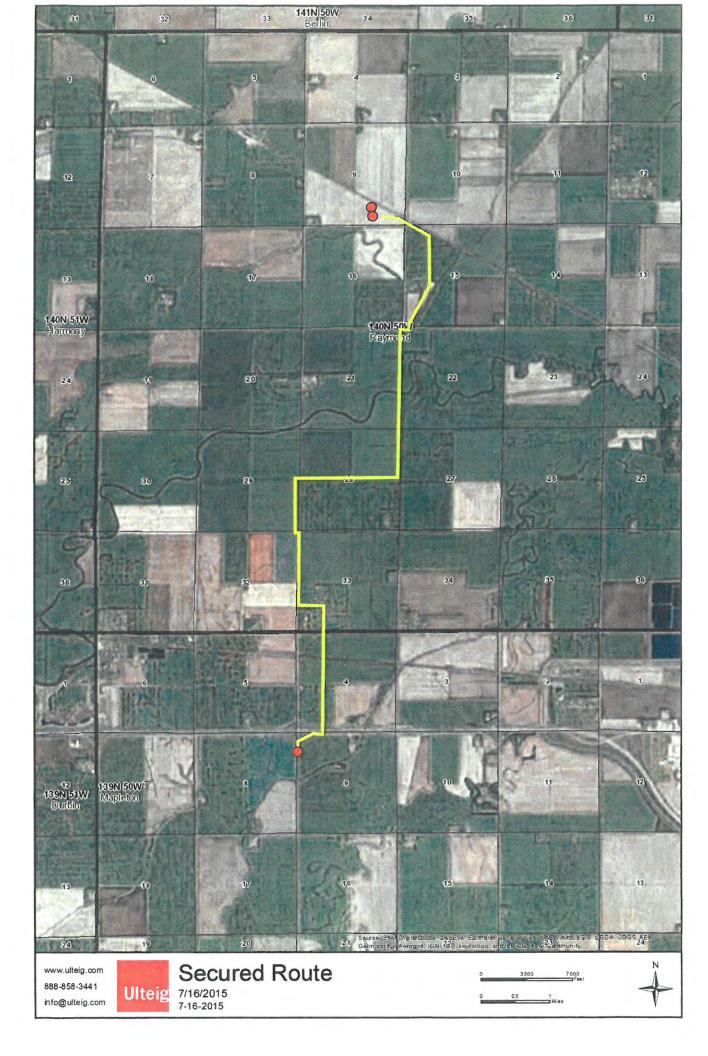
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DAILY COMMUNICATION RECORD

Date: October 30, 2015

Contact #3

Even I	M Party Called	☐ I Visited
☑ I Called	☐ Party Called	Party Visited
☐ I Returned Call	Party Returned Call	Party E-Mailed
☐ I Faxed	☐ I E-Mailed	Tarty E-Maned
Others on Line		
Subject: Laurel Pi	peline Connection	
UEI Project NoI		
Time: 11:45 AM		
Location: On Phone - Ul	teig	
Document Strategies		
John Rutten is the Towns	hip Chairman for Mapleton Towns	ship. I called him to make sure he
	en together regarding NuStar's up	
Bob and John have spoke	en, they are planning on having a n	neeting in Mid-November at his farm
		uStar could move forward with their
		ting and an agreement with Wanzek
on the 1 acre site they wo	ould not get in the way of progress.	
This is one meeting that	NuStar will not have to send anyor	ne but me to.
		y Olafson
	A	gent Signature





888-858-3441 info@ulteig.com

Ulteig

1/8/2016 Cap X 2020 Sub Location

