

BOARD OF COUNTY COMMISSIONERS FOR
ADAMS COUNTY, STATE OF COLORADO

**RESOLUTION FOR LAND USE CASE DECISION - CASE #RCU2013-00027 WHITE
CLIFFS TWIN PIPELINE**

Resolution 2014-131

WHEREAS, on the 17th day of March, 2014, the Board of County Commissioners, held a public hearing on the application of White Cliffs Pipeline, LLC, Case #RCU2013-00027; and,

WHEREAS, this case involved an application for: Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12 inch underground crude oil pipeline from 168th Ave & Peoria Crossing Rd southeast through Adams County to E 72nd Ave & Meridian Rd on the following described property:

PARCEL NUMBER: Multiple Parcel Numbers

APPROXIMATE LOCATION: Multiple Parcels from 168th Avenue & Peoria Crossing Road to East 72nd Ave & Meridian Road

WHEREAS, substantial testimony was presented by members of the public and the applicant; and,

WHEREAS, the Adams County Planning Commission held a public hearing on the 13th day of February, 2014, and forwarded a recommendation of APPROVAL to the Board of County Commissioners based on the following:

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners, County of Adams, State of Colorado, that based upon the evidence presented at the hearing and the recommendations of the Department of Planning and Development and the Planning Commission, the application in this case be hereby **APPROVED** based upon the following findings of fact and subject to the fulfillment of the following conditions precedent and stipulations by the applicant:

1. The conditional use is permitted in the applicable zone district.
2. The conditional use is consistent with the purposes of these standards and regulations.
3. The conditional use will comply with the requirements of these standards and regulations including, but not limited to, all applicable performance standards.
4. The conditional use is compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the immediate area, not detrimental to the future development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area and the County.

5. The conditional use permit has addressed all off-site impacts.
6. The site is suitable for the conditional use including adequate usable space, adequate access, and absence of environmental constraints.
7. The site plan for the proposed conditional use will provide the most convenient and functional use of the lot including the parking scheme, traffic circulation, open space, fencing, screening, landscaping, signage, and lighting.
8. Sewer, water, storm water drainage, fire protection, police protection, and roads are to be available and adequate to serve the needs of the conditional use as designed and proposed.
9. Documentation that prior to site disturbance associated with the Proposed Project, the Applicant can and will obtain all necessary property rights, permits and approvals. The Board may, at its discretion, defer making a final decision on the application until outstanding property rights, permits and approvals are obtained or the Board may grant a Permit with conditions and/or conditions precedent which will adequately address outstanding concerns.
10. The Proposed Project considers the relevant provisions of the regional water quality plans.
11. The Applicant has the necessary expertise and financial capability to develop and operate the Proposed Project consistent with all requirements and conditions.
12. The Proposed Project is technically and financially feasible.
13. The Proposed Project is not subject to significant risk from Natural Hazards.
14. The Proposed Project is in general conformity with the applicable comprehensive plans.
15. The Proposed Project does not have a significant adverse effect on the capability of local government to provide services or exceed the capacity of service delivery systems.
16. The Proposed Project does not create an undue financial burden on existing or future residents of the County.
17. The Proposed Project does not significantly degrade any substantial sector of the local economy.
18. The Proposed Project does not unduly degrade the quality or quantity of recreational opportunities and experience.
19. The planning, design and operation of the Proposed Project reflects principals of resource conservation, energy efficiency and recycling or reuse.

20. The Proposed Project does not significantly degrade the environment. Appendix A includes the considerations that shall be used to determine whether there will be significant degradation of the environment. For purposes of this section, the term environment shall include:
 - Air quality,
 - Visual quality,
 - Surface water quality,
 - Groundwater quality,
 - Wetlands, flood plains, streambed meander limits, recharge areas, and riparian areas,
 - Terrestrial and aquatic animal life,
 - Terrestrial and aquatic plant life, and
 - Soils and geologic conditions.
21. The Proposed Project does not cause a nuisance and, if a nuisance has been determined to be created by the Proposed Project, the nuisance has been mitigated to the satisfaction of the County.
22. The Proposed Project does not significantly degrade areas of paleontological, historical, or archaeological importance.
23. The Proposed Project does not result in unreasonable risk of releases of hazardous materials. In making this determination as to such risk, the Board's consideration shall include:
 - Plans for compliance with Federal and State handling, storage, disposal and transportation requirements,
 - Use of waste minimization techniques, and
 - Adequacy of spill prevention and counter measures, and emergency response plans.
24. The benefits accruing to the County and its citizens from the proposed activity outweigh the losses of any resources within the County, or the losses of opportunities to develop such resources.
25. The Proposed Project is the best alternative available based on consideration of need, existing technology, cost, impact and these Regulations.
26. The Proposed Project shall not unduly degrade the quality or quantity of agricultural activities.
27. The proposed Project does not negatively affect transportation in the area.
28. All reasonable alternatives to the Proposed Project, including use of existing rights-of-way and joint use of rights-of-way wherever uses are compatible, have been adequately assessed and the Proposed Project is compatible with and represents the best interests of the people of the County and represents a fair and reasonable utilization of resources in the Impact Area.
29. The nature and location of the Proposed Project or expansion will not unduly interfere with existing easements, rights-of-way, other utilities, canals, mineral claims or roads.

30. Adequate electric, gas, telephone, water, sewage and other utilities exist or shall be developed to service the site.
31. The proposed project will not have a significantly adverse Net Effect on the capacities or functioning of streams, lakes and reservoirs in the impact area, nor on the permeability, volume, recharge capability and depth of aquifers in the impact area.
32. The purpose and need for the Proposed Project are to meet the needs of an increasing population within the County, the area and community development plans and population trends demonstrate clearly a need for such development.
33. The Proposed Project is compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the immediate area, not detrimental to the future development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area.

Conditions:

1. The applicant shall continue to work with Adams County staff to finalize and execute a Development Agreement prior to the March 17, 2014 Board of County Commissioners hearing on this application.
2. Once finalized and executed, the applicant shall comply with all terms and conditions of the Development Agreement between White Cliffs Pipeline, LLC and Adams County.

Upon motion duly made and seconded the foregoing resolution was adopted by the following vote:

Henry _____ Nay
Tedesco _____ Aye
Hansen _____ Aye
Commissioners

STATE OF COLORADO)
County of Adams)

I, Karen Long, County Clerk and ex-officio Clerk of the Board of County Commissioners in and for the County and State aforesaid do hereby certify that the annexed and foregoing Order is truly copied from the Records of the Proceedings of the Board of County Commissioners for said Adams County, now in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County, at Brighton, Colorado this 17th day of March, A.D. 2014.

County Clerk and ex-officio Clerk of the Board of County Commissioners
Karen Long:



By:



Deputy

White Cliffs Twin Pipeline

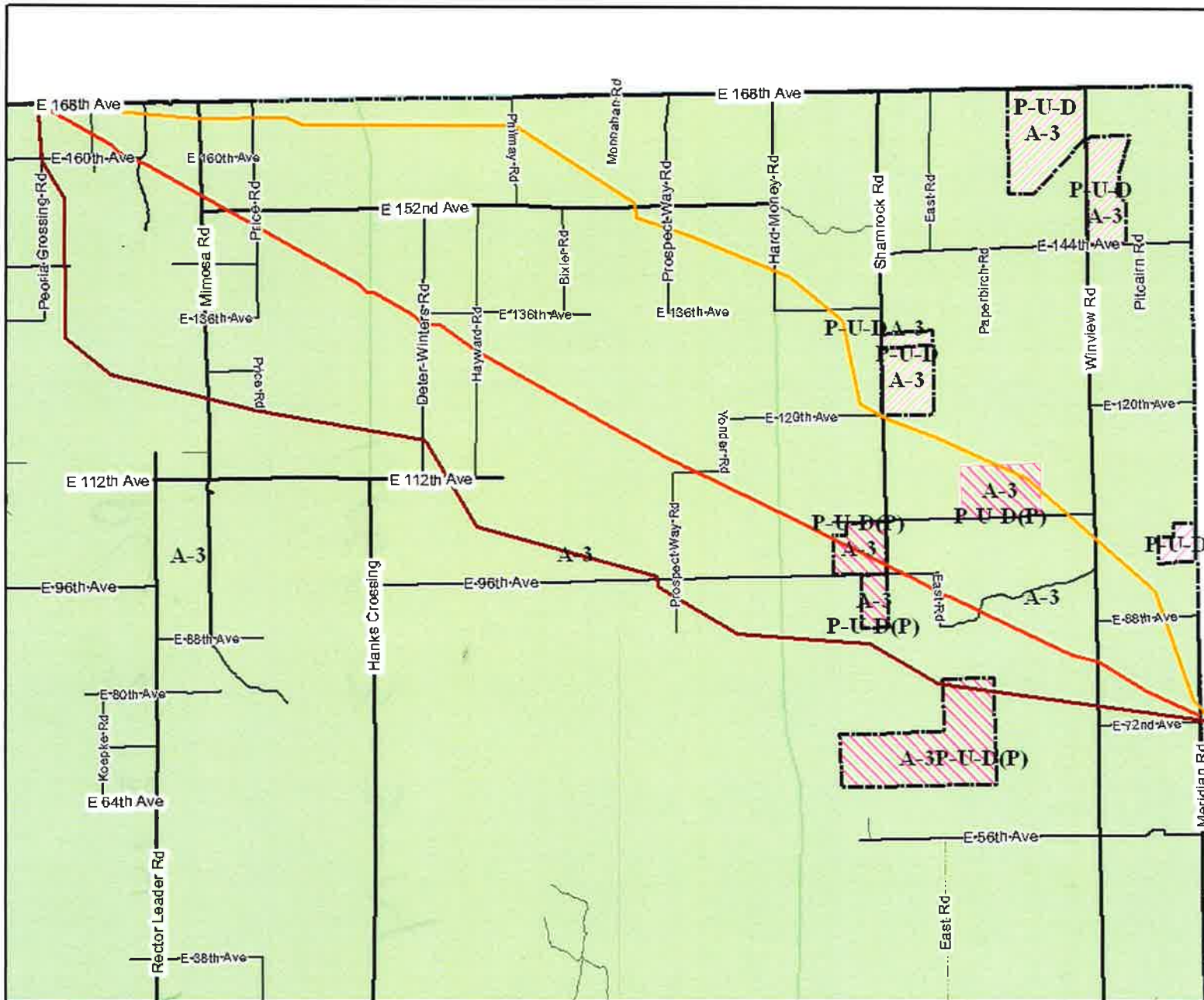
Case Number:	RCU2013-00027
Planning Commission Hearing Date:	02/13/2014 at 6:00 p.m.
Board of County Commissioners Hearing Date:	03/17/2014 at 10:00 a.m.

Case Manager: Chris LaRue
Case Technician: Genevieve Pizinger
Applicant: White Cliffs Pipeline LLC
PETER L. SCHWIERING
3030 NW EXPRESSWAY
SUITE 1100
OKLAHOMA CITY, OK 73112
Owner:

Representative:

Location: CO
Parcel Number: 015521400001
Size of Property: undetermined parcel size
Proposed Use: Agricultural
Request: Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12 inch underground crude oil pipeline from 168th Ave & Peoria Crossing Rd southeast through Adams County to E 72nd Ave & Meridian Rd

	HEARINGS		
	Planning Commission		Board of County Commissioners
Date:	02/13/2014	Date:	03/17/2014
Action:		Action:	
Date:		Date:	
Action:		Action:	
Review for Tracking:		Date:	
Map Updated by:		Date:	
Approved By:		Date:	



LEGEND

- White Cliffs pipeline
 - White Cliffs Alternative 1
 - White Cliffs Alternative 2
 - Railroad
 - Zoning Line
- Zoning Districts**
- A-1
 - A-2
 - A-3
 - R-E
 - R-1-A
 - R-1-C
 - R-2
 - R-3
 - R-4
 - M-H
 - C-0
 - C-1
 - C-2
 - C-3
 - C-4
 - C-5
 - I-1
 - I-2
 - I-3
 - CO
 - PL
 - AV
 - DIA
 - P-U-D
 - P-U-D(P)
 - Airport Noise Overlay

Case Name: White Cliffs Pipeline
Case Number: RCU2013-00027

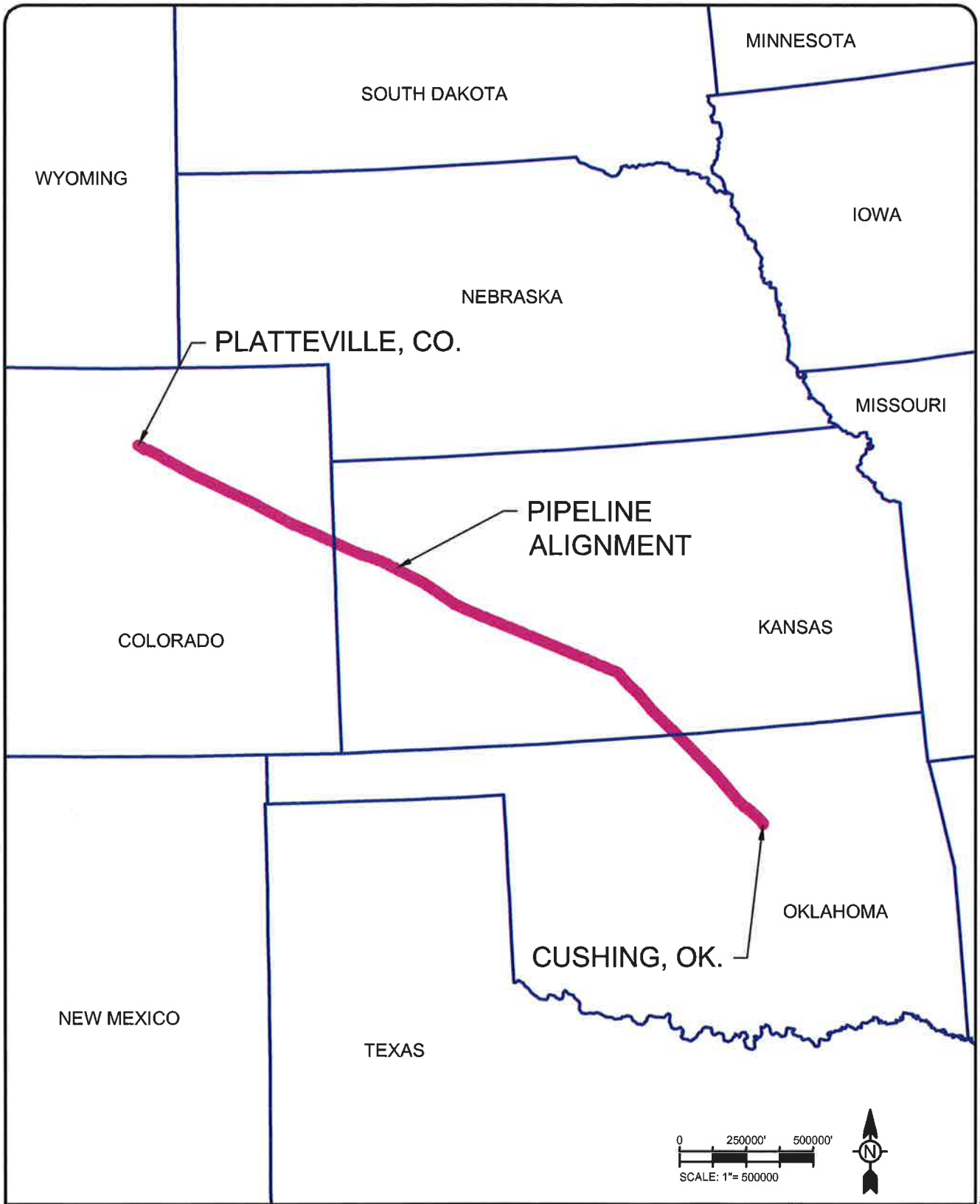


For display purposes only.



This map is made possible by the Adams County GIS group, which assumes no responsibility for its accuracy

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TETRA TECH

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 Longmont, CO. 80501
 Phone: (303) 772-5282 Fax: (303) 772-7039

WHITE CLIFFS PIPELINE, LLC

VICINITY MAP
 PIPELINE ALIGNMENT

Project No.: 133-83893-13001

Date: JULY 2013

Designed By: JAB

EXHIBIT

C-8

Copyright: Tetra Tech



**DEPARTMENT OF PLANNING AND DEVELOPMENT
STAFF REPORT**

Board of County Commissioners

March 17, 2014

CASE No.: RCU2013-00027	CASE NAME: White Cliffs Twin Pipeline
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Owner's Name:	White Cliffs Pipeline, LLC
Applicant's Name	White Cliffs Pipeline, LLC
Applicant's Address:	3030 NW Expressway, Suite 1100, Oklahoma City, OK
Location of Request:	Multiple Parcels from 168 th Avenue & Peoria Crossing Road to East 72 nd Ave & Meridian Road
Nature of Request:	Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12 inch underground crude oil pipeline from 168th Ave & Peoria Crossing Rd southeast through Adams County to E 72nd Ave & Meridian Rd
Site Size:	Many parcels (Pipeline runs 23 miles with a 75 right-of-way)
Zone District:	A-3
Existing Use:	Agriculture
Proposed Use:	Agriculture with buried pipeline
Hearing Date(s):	PC = February 13, 2014 (6:00 p.m.) BoCC = March 17, 2014 (10:00 a.m.)
Report Date:	February 28, 2014
Case Manager:	Christopher C. La Rue <i>CL</i> <i>SM</i>
Staff Recommendation:	Approval with 33 findings & 2 Conditions
PC Recommendation:	Approval with 33 findings & 2 Conditions

SUMMARY OF PREVIOUS APPLICATION

Case # RCU2008-00009, SemCrude/White Cliffs Crude Oil Pipeline, was approved by the Board of County Commissioners on July 23, 2008. The request was for a Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12 inch underground crude oil pipeline from 168th Avenue & Peoria Crossing to East 72nd Avenue and Meridian Road. This pipeline was constructed in 2008.

SUMMARY OF APPLICATION

The applicants are requesting a Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12-inch underground crude oil pipeline from 168th Ave & Peoria Crossing Road to E 72nd Avenue and Meridian Road for the portion of the pipeline within unincorporated Adams County. The White Cliffs Pipeline would be approximately 525 miles in total length, from Platteville, Colorado, through Kansas, to Cushing, Oklahoma. The site in Platteville would consist of a tank farm and pump station where the crude oil would be sent through the pipeline to the processing plant in Cushing, Oklahoma.

Due to the increases in oil and gas production, primarily in Weld County, and due to the Suncor Refinery in Commerce City being at capacity, there is a need to transport crude oil through an additional 12-inch crude oil pipeline. The preferred pipeline route is designed to be located parallel to and approximately 15 feet offset from the existing pipeline that was approved and constructed in 2008. The properties along the pipeline within unincorporated Adams County are in the A-3 (Agricultural) zone district.

COMPANY OVERVIEW

White Cliffs Pipeline, LLC and SemGroup Company Profile

White Cliffs Pipeline, LLC is a subsidiary company of SemGroup Corporation. The following company information is on the home page of their website:

“SemGroup Corporation is a publicly held company that moves energy safely through a network of pipelines, terminals and storage tanks. SemGroup provides gathering, transportation, processing, storage, distribution, marketing and other midstream services primarily to independent oil and natural gas producers, refiners of petroleum products and other market participants located in the Mid-Continent and Rocky Mountain regions of the United States and in Canada, Mexico and the United Kingdom.

With the common root word “sem,” meaning one, SemGroup operates as a family of companies through its subsidiaries. SemGroup owns 100% of Rose Rock Midstream G.P., LLC along with its incentive distribution rights and has a majority interest in Rose Rock Midstream L.P. SemGroup also holds a significant amount of equity in NGL Energy Partners. All of the SemGroup divisions are committed to a “zero incident” culture, with employees working to keep the public, and each other, safe.”

SemGroup owns 35 percent of White Cliffs Pipeline and their Master Limited Partnership, Rose Rock Midstream, L.P., owns 17 percent of the pipeline and also serves as the pipeline operator.

OVERVIEW OF NEED FOR THE PIPELINE

An abundant amount of oil and gas is currently being produced in Colorado. The refineries and the pipelines in Colorado for crude oil are currently over capacity. The only alternative is to adequately and efficiently transport the crude oil product to a location where it can be stored and then transported to refineries around the Country, to meet market demands and rely less on foreign oil. The most efficient and environmentally friendly way to transport the oil is by pipeline rather than over the road. Transportation of the product by pipeline will have less impact on the Adams County roads, as well as roads throughout Colorado. Since there would be fewer trucks on the roads to transport the oil, there is an added benefit to air quality of the area. With the Denver area being in non-attainment status for ozone, the pipeline will be a substantial benefit to the air quality of the region because of the reduction of truck trips this facility would provide. If the crude oil were to be transported over the road, rather than within a pipeline, Adams County would not regulate that transportation with any land use permit. This Conditional Use Permit gives Adams County Government the opportunity to ensure that the health, safety and welfare of the residents are taken into account. SemCrude, L.P. and White Cliffs Pipeline, L.L.C. has completed extensive permitting through other Federal and State agencies to permit this pipeline. The Department of Transportation (DOT) regulates safety and other factors of the pipeline which is described within the permitting section of this report.

THE PIPELINE – PREFERRED ROUTE

As with the previous pipeline, the new pipeline will be a total of 527 miles in length, beginning at the Rose Rock Truck Unloading Facility, located east of Platteville, Colorado and will traverse Colorado, Kansas and Oklahoma, in a fairly straight line, on into Cushing, Oklahoma where the line terminates.

The original White Cliffs 12-inch Pipeline's capacity is approximately 70,000 barrels per day. White Cliffs Twin Pipeline is an expansion of the existing pipeline, with the construction of a new 12-inch diameter pipeline looping the existing pipeline. The White Cliffs Twin Pipeline's capacity is approximately 80,000 barrels per day and both pipelines will have a total capacity of about 150,000 barrels per day. The new pipeline is expected to be completed in 2014. As part of the project there would be one above ground facility within unincorporated Adams County consisting of a main line block valve located on the southwest corner of 136th Avenue and Deter-Winters Road. At this site the pipe daylights and there is valve that can be accessed.

The existing pipeline that is currently in service delivers crude oil from the oil fields in Colorado to the United States market. There are shipper commitments on the existing pipeline to transport and deliver the crude oil, which is specified in contracts with suppliers. These commitments are for a specific number of barrels that contractually have to be delivered within a specific timeframe. To replace the existing line with a larger line would require shutting down the line, which is not possible due to the existing contracts. The existing line is one of the main transports for oil out of Colorado, and shutting down the line could cause significant negative impacts to production state wide.

The 504 miles of the additional pipeline that is outside of Adams County is already designed to run parallel to the existing pipeline and it is the preferred route. The preferred alignment is the shortest distance from the point it enters and exits out of Adams County.

A substantial amount of attention was given to the best location of the pipeline and took into account the connection to the north into Weld and Morgan Counties and to the southeast in Washington and Kit Carson Counties. Rights-of-way and easements have been acquired for the *all* of the properties that will be crossed within Adams County. The majority of the other easements along the 527-mile pipeline have been obtained (copies of all easements within Adams County are included within this submittal). The impacts of the second pipeline are limited, since it is planned to run within the same easement as the existing pipeline through Adams County. Additional permanent and construction easements have already been acquired on all of the properties within Adams County. The majority of the landowners in Adams County, where the new pipeline will be located, are generally the same as they were for the previous pipeline. Some of the landowners originally agreed to two pipelines and others wanted to re-negotiate with White Cliffs once the second pipeline was ready to be constructed. As stated above, all landowners have agreed to and executed easement agreements. The applicant states there was no use of condemnation for the easements on this project. For informational purposes, there are 29 properties within one mile of the pipeline that have residential structures on them (see the enclosed map).

The applicant went through an evaluation process to determine the best route for the pipeline, including minimizing impacts to private properties, stream crossings, road crossings, and potential environmental impacts. The pipeline alignment was determined because of the relatively flat terrain that has been used for agricultural purposes and because of the rural nature of the area. When the pipeline is complete, the area above the pipeline will be returned to current conditions to the best extent possible.

The portion of the pipeline that extends through Colorado would be approximately 154 miles in length. This portion of the White Cliffs Pipeline includes Weld, Morgan, Adams, Washington, and Kit Carson Counties in Colorado. The applicant has stated that other than in Adams County, no other land use permits were required along the route from the other counties. The portion of the pipeline through Adams County is approximately 23 miles. The pipeline route will consist of a 25-foot construction easement, with another 15 feet being reserved as a permanent easement. Actual limits of disturbance within the construction easement will vary by location and would be dependent on site-specific conditions. Easements have been acquired from all landowners within Adams County and copies were included with the application materials. The cover depth at the top of the pipe would be 36 inches, with the depth of the bottom of the pipe being located at 48 inches. There will be no lighting, activities, noise, or increased traffic associated with the use, other than some minimal activities during the construction phase.

ALTERNATIVES

White Cliffs Pipeline, LLC did go through an evaluation process to determine the best route for the pipeline, including minimizing impacts to private properties, stream crossings, road

crossings, and potential environmental impacts. The pipeline alignment was determined because of the relatively flat terrain that has been used for agricultural purposes and due to the rural nature of the area. This permit is for a pipeline to run parallel to the existing pipeline, a distance of approximately fifteen feet from the original pipeline.

White Cliffs Pipeline submitted information for two additional alignments through Adams County. Alternative Alignment 1 starts in Adams County at the same location as the Preferred Alignment and Alternative Alignment 2, but is shown going south of the preferred alignment. It also exits Adams County in the same location as the Preferred Alignment and Alternative Alignment 2. Alignment 2 is shown going north of the Preferred Alignment. The locations of the pipeline going into and out of Adams County are the same for each alternative so that the pipeline will be coordinated with approvals in surrounding counties.

Both Alignment 1 and Alignment 2 are options that are feasible, but are longer routes through the County and impact significantly more land owners. Easements along these routes have not been acquired because White Cliffs has already acquired easements from property owners on the preferred alignment. Alignments 1 and 2 cross more streams and creeks than the preferred route and there are additional roadway crossings through Adams County. An Environment Assessment and Report was submitted addresses Threatened and Endangered Species, Historical and Cultural impacts on both Alignment 1 and Alignment 2.

Safety

The pipeline would be identified with markers at regular intervals so that individuals are notified there is a buried pipeline. In addition, the pipeline is monitored by a Supervisory Control and Data Acquisition (SCADA) system 24 hours a day. This computerized system is located in the Oklahoma City office and detects any potential problems within the pipeline or associated storage tanks (there are no tanks in Adams County) for the project. Should any problems or incidents occur staff monitoring the SCADA system will know immediately and would take appropriate action to remedy a situation wherever the problem may occur. Should a problem occur in Colorado, the SCADA system would recognize the problem and alert staff in the Oklahoma City office, who would then be able take action.

There have been no pipeline operational incidents in Adams County regarding the existing pipe. White Cliffs Pipeline has operated without incident along its entire system length from Colorado to Oklahoma. The only exception was in 2010 when a minor sump overflowed inside the Cushing Station due to a level switch malfunction that was immediately corrected. As an ongoing measure, the switch is now tested periodically to insure property operation.

Regarding incidents for SemGroup/Rock Midstream Company wide, a minimal number of incidents have occurred in some of the older rural gathering systems that were previously unregulated. Those assets were obtained by acquisitions of various companies prior to SemGroup's reorganization and therefore there are no records prior to 2009 available. Twenty-three incidents occurred during the period from 2009 through 2013 on those gathering pipelines and all were small volume incidents. Twelve incidents are related to typical equipment failures such as pump seals leaking inside the station property. A third party caused one incident and the

remaining incidents are attributed to internal corrosion. Gathering pipelines flow at much lower volumes and stratified flow conditions. Thus, the older pipelines are more subject to internal corrosion caused by bacteria. The existing pipeline and the proposed Twin Pipeline are mainlines designed to operate under turbulent flow conditions so internal corrosion is not a primary risk.

In order to mitigate internal corrosion for the gathering pipelines the applicant has implemented a program involving the injection of biocides to kill the bacterial causing the internal corrosion. Those gathering lines mentioned in the paragraph above were built in the 40s and 50s and corrosion was experienced prior to the invention of biocides. The injection system has been in effect for the past six years and proven very effective.

There is a comprehensive Pipeline Integrity Management Program required by the Federal Regulations. The program is designed to identify and mitigate risks to regulated pipelines like the original White Cliffs pipe and the White Cliffs Twin. The program is inspected periodically by state and federal auditors. The pipe must be inspected using specially designed inspection tools designed to identify corrosion or other damage to the pipeline. The pipe is also hydro tested before being put into operation.

PERMITTING

The applicant shall secure all necessary road crossing permits from the Transportation Department. Should any changes occur in the layout of the pipeline, amendments to the road crossing permits may be required. In addition, a copy of the Colorado Discharge Permits System (CDPS) permit from the Colorado Department of Public Health and Environment is requested. The Public Works Department has also reviewed the necessary Flood Plain Use permits, but is holding the issuance of those permits pending this application.

The State of Colorado has issued the applicant permit approval for an Air Pollution Emissions Notice (APEN) for the project. A copy of this permit is included within the packet. The applicant has stated they were verbally told by the Department of Health no further permitting was needed. As of the report date the Colorado Department of Health has provided no further comments. The applicants have also received their needed permits for the States of Kansas and Oklahoma (copies attached).

The applicant was also responsible to fulfill the requirements of a Nationwide General Permit (NWP). NWPs are valid for 5 years from the date of issuance and have built in conditions. The NWP authorizes the construction, maintenance, or repair of utility lines, including outfall and intake structures, and the associated excavation, backfill, or bedding for the utility lines, in all waters of the United States, provided there is no change in pre-construction contours. A "utility line" is defined as any pipe or pipeline for the transportation of any gaseous, liquid, or slurry substance for any purpose, and any cable, line, or wire for the transmission for any purpose of electrical energy, telephone, and telegraph messages, and radio and television communication. A copy of the NWP is included with this report.

The pipeline will be comprehensively regulated and permitted under federal enabling law and regulations promulgated by the United States Department of Transportation (USDOT) for the transportation of hazardous liquids via pipeline. The applicant has provided a detailed list of permits required from various federal, state, and local entities, and the status of each applicable permit within the application. The USDOT regulations require pipelines to meet design requirements and comply with numerous USDOT requirements during the construction. Part 195 of the USDOT regulations govern all aspects and appurtenances to the pipeline, which are defined as including, but not limited to "line pipe, valves and other appurtenances connected to the line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks." The USDOT regulations require a pipeline right-of-way to avoid "as far as practicable, areas containing private dwellings, industrial buildings, and places of public assembly." The regulations state in specific detail the requirements for materials inspections, construction inspections, welding, cover over buried pipelines, backfilling, valves, pumping equipment, etc., and require that a complete construction record be maintained for the life of the project. USDOT regulations will continue to govern how the pipeline is operated and maintained after construction is complete. These standards are enforced by the USDOT, Office of Pipeline Safety (OPS) through routine inspections, audits and required operator reports before, during, and after pipeline construction.

USDOT regulations also require that once the pipeline is operational, the applicant must establish a liaison with local fire, police, and other appropriate governmental officials to determine the availability of emergency response resources in the event of an accident or emergency involving the pipeline, and establish an effective means of communication with local emergency response officials. Prior to operation, the applicant will be required to develop a written procedure manual which includes emergency response plans. Required information for the manual includes specific steps for controlling potential releases of hazardous liquids by means of shutting down pipeline segments, evacuation plans, notifying local officials of incidents, and coordinating preplanned and actual responses necessary in the case of an emergency.

With respect to the Federal Energy Regulatory Commission (FERC), it is important to note they do not have oversight or regulatory control for the construction of oil pipelines, nor do they have authority for pipeline safety. Once the pipeline is constructed, FERC will be responsible for the regulation of the transmission of oil in interstate commerce. This basically means FERC sets the rates (tariff) for the pipeline. They also use civil penalties and other means against energy organizations and individuals who violate FERC rules in the energy markets.

Relationship of the Project to Adopted Local, State, and Federal Land Use

Adams County Comprehensive Plan

The Adams County Comprehensive Plan was taken into consideration when developing routes and in the analysis of the alternatives. Siting for the location of the existing pipeline and the parallel pipeline both took into consideration future growth and development and they have both been designed to avoid developed areas. The project's relationship to relevant policies and guidelines are summarized below.

Agriculture

The Comprehensive Plan aims to maintain high quality agricultural land. Minimizing impacts to agricultural lands is an important objective of this project. The proposed parallel crude oil pipeline will be located with an area that is zoned for agricultural uses and after construction of the pipeline is complete, the area will still be utilized for agricultural purposes. White Cliffs is working directly with landowners, who have already provided easements, on restoration of the disturbed areas once construction is completed. The area covering the pipeline will be re-vegetated as close to existing conditions as possible or other arrangements were negotiated with the landowner if any crops would be impacted.

Mineral Resources

The purpose of the crude oil pipeline is to transport a valuable mineral resource from Colorado to the market. The oil and gas industry is an essential economic engine for Adams County and the State of Colorado. No other mineral or energy resources are impacted by this project.

Floodplains

The Comprehensive Plan states that reduction of future flood damage is a goal. The pipeline will not have any long-term effects on the floodplain or floodway within Adams County. Floodplain permits for the Bijou Creek and Muddy Creek mapped floodplain areas have been submitted to the Adams County Transportation Department for review and approval, pending approval of this Conditional Use Permit.

Open Space

The Comprehensive Plan contains goals and policies for maintaining, protecting and enhancing suitable open space areas, including a number of specific open space corridors. The proposed crude oil pipeline will not affect any areas proposed for future open space.

Economic Development

The Comprehensive Plan encourages investment in public infrastructure to allow for desired growth and industrial expansion. The project allows the transportation of crude oil to storage facilities, refineries and to the market in the most efficient manner and has little or no impacts to Adams County roads or the environment. The oil and gas industry is a very important economic industry for Adams County and the State of Colorado, directly and indirectly employing over many people in the State.

Other Considerations

Water Pollution

A stormwater Management Plan and Permit are approved by the State of Colorado. Documentation showing the approval by the State is included under the Appendix Section of this application. The Contractor's Environmental Guidelines have been included within the Environmental Section of the Appendix. The construction activities will be in compliance with Section 404 of the Clean Water Act. The stormwater Management Plan, including Best Management Practices, will be implemented as applicable to prevent sedimentation and erosion runoff during construction activities. Direct impacts to water resources will not occur.

Air Pollution

There will be no air pollutants from this project, since the pipeline is located underground. There may be some temporary conditions during construction when dust may be generated. The pipeline is constructed in a short period of time so any dust generated would be temporary. Water will be used for dust suppression, if necessary. The area where the ground is disturbed will be re-vegetated with cover similar to existing vegetation and areas disturbed are minimal. The applicant has obtained an Air Pollution Emission Notice (APEN) permit from CDPHE.

Requirements for Public Facilities/Services

No additional public facilities or services are required as a result of the crude oil pipeline.

Employment Opportunities

There may be some local employment opportunities for the construction of the pipeline project and the applicant does not require additional staff at this time to operate and maintain the pipeline.

Access/Travel Routes, Public Areas and Views

Wherever possible, access routes for construction and maintenance will be from public roads. Any additional access that may be required for construction will be along an easement or negotiated with individual landowners. There are no impacts to public areas and the pipeline will not impact any views.

Noise Levels

There is no noise associated with the pipeline project, other than some temporary noise associated with construction activities. Construction noise will not exceed State of Colorado Noise Thresholds or the Adams County requirement.

Housing Requirements

The proposed pipeline will not require any additional housing during construction or operation.

Transportation Network

There will be no impacts to the current transportation network as a result of the pipeline. Some minor impacts may occur during construction, with deliveries of pipe and other construction materials. These impacts will be temporary and will not affect any major roads or intersections within Adams County. Adams County roadway crossing permits will be obtained from the Transportation Department prior to construction and have been submitted.

Drainage and Hydrology

The proposed pipeline will not create runoff in excess of historic levels and will not change existing topography or adversely affect drainage. There will be no alteration in the pattern or intensity of surface drainage as a result of construction and operation of the pipeline. We have verified that the pipeline does not fall within the Adams County MS4 area based on Adams County's MS4 Permitted Area Map and other available sources. (See copy of the Adams County MS4 Permitted Area Map in the Appendix of this application).

Water Usage Requirements

Some minor water use will occur during construction and may include dust suppression (if necessary) and consumption by workers. This water will be obtained from existing sources. No water is required during the operation of the pipeline.

Physical and Socioeconomic Development Impacts

The pipeline is for the transportation of crude oil from the Northern Colorado area to Cushing, Oklahoma, where it will be stored in tanks and delivered by pipeline to refineries around the United States. After the oil is refined, it is marketed to consumers. The oil is an important export for Colorado and lessens the Country's dependence on foreign supplies. Economic Studies conducted by the University of Colorado, Boulder, Leeds School of Business and Cushman & Wakefield have been provided with this application. These studies were obtained from the COGA website. These studies show the economic benefits to the State of Colorado and specifically the Denver Metro Area. There are positive economic benefits due to this pipeline, including getting a local product to the market and providing employment opportunities. There are added financial benefits from the industry in the form of severance and property taxes for local governments, including counties and municipalities. The details can be found in both of these studies.

Mitigation of Environmental Impacts

SW Geoscience has conducted a variety of environmental studies and reports for the pipeline project. Included with the application materials is a summary of the Nationwide 12 Permit. The Nationwide 12 Permit is over 1000 pages long and covers the entire distance of the pipeline. Environmental studies and reports have been conducted by SW Geoscience and are included in the Environmental Section of the Appendix of the application materials.

The Contractor's Environmental Guidelines address how any potential threatened or endangered species shall be handled if encountered in the field. Additionally, the Guidelines give a description of the listed federally endangered and/or threatened species, where they might be found, and how to identify potential presence of threatened and endangered wildlife and their habitat. If the contractor for the pipeline observes any potential threatened or endangered wildlife or habitat, activities will halt and the contractor will contact White Cliffs Pipeline, LLC. All State and Federal laws will be followed in regard to threatened or endangered species.

Permits and Agency Coordination Section 404 of the Clean Water Act

The Project would be authorized under Nationwide Permit 12 (NWP 12) for Utility Lines. Submittal of Preconstruction Notification (PCN) to the USACE was not deemed necessary for this Project because, under the Preferred Alternative, impacts to waters of the U.S. are minimal, temporary, and do not trigger any of the reporting thresholds under NWP 12 or its General Conditions. Documentation detailing the results of field investigations for waters of the U.S. and reviewing the applicability of Nationwide Permit 12 for the Preferred Alternative was sent to the USACE Omaha District, Denver Regulatory office on August 2, 2013 for verification of findings. No response from the USACE has been received to date.

Endangered Species Act

No effects to federally-listed threatened or endangered species are anticipated as a result of the Preferred or Alternative alignments.

National Historic Preservation Act

No eligible or potentially eligible sites would be impacted as part of the Preferred or Alternative alignments. Based on State of Colorado law, a permit was obtained from the Office of Archaeology & Historic Preservation to do a Class III survey on the one State owned tract of land crossed by the Preferred Alternative in Adams County. The entire length of the Preferred Alternative on the State tract was investigated and no cultural material was found. Findings have been submitted to the Office of Archaeology & Historic Preservation.

Historical and Archaeological information was obtained from the Colorado Historical Society. Based on the data, there are no sites within the unincorporated Adams County alignments for the pipeline or the alternate alignments that are listed or eligible for listing on the National Register of Historic Places. The Contractor's Environmental Guidelines address Historical and Archaeological Resources.

Bald and Golden Eagle Protection Act

No effects to bald or golden eagles are anticipated as a result of the Preferred or Alternative alignments.

Stormwater Management

The applicant has providing documentation of the Stormwater Management Plan and approved permit, the floodplain permits already submitted to Adams County, the road crossing permits, and Environmental Report for Threatened and Endangered Species, Historical and Cultural impacts for the preferred pipeline alignment and Alternatives Alignments 1 and 2 as shown on the Site Plan Maps. Additionally, copies of the following reports are included in the Environmental Section of the Appendix:

- Storm Water Management Plan extension letter and approval
- Contractor's Environmental Guidelines
- Contractor's Guide for Threatened and Endangered Species
- Environmental Desktop Review, White Cliffs Twin Pipeline, Alternative Routes in Adams County, Colorado, dated August 2013, Southwest Geoscience
- USACE Permit Nationwide 12 Summary Document

Development Agreement

The applicant has agreed to enter into a Development Agreement as part of this application that will cover a number of issues such as pre-construction requirements, construction and operational standards, maintenance of the pipeline, and consideration for future development. This agreement is currently in draft form and the most recent draft has been included in this

packet. The applicant is in agreement with the current draft. Staff recommends that execution and compliance with this agreement be a condition of approval for this case.

CONCLUSION

The applicant's preferred route parallels the existing pipeline and results in the least significant impacts by co-locating in accordance with industry best practices. Staff has not received any negative citizen responses from property owners in the area of the proposed path for the pipeline that would prohibit the project from going forward. With the exception of short term construction the pipeline will not pose any additional impacts on the environment or on the surrounding area since the line would be buried and monitored 24 hours a day. The proposal is consistent with the surrounding area and zoning provided all of the recommended conditions of approval are adhered to. Staff is recommending approval of the request for the preferred alignment.

CITIZEN COMMENTS

An e-mail was received from Julie Clayburg, 98001 East 96th Avenue wrote an e-mail stating she was opposed to a 2nd pipeline since the risk of breakage would double. There were also concerns with groundwater and their well being impacted.

Staff Response: The proposed pipe would not cross Mrs. Clayburg's property.

John Metli called indicating he owns two properties (0155500000009 & 0155500000010) within the Alternate 2 route and has no problems with the pipeline going through his parcels.

PLANNING COMMISSION UPDATE

The Planning Commission previously heard this case on February 13, 2014 and recommended unanimous approval. The applicant did not state any concerns with the staff report or recommended conditions. The applicant presented a detailed Power Point of their request during the Planning Commission hearing. No citizen testimony was presented during the hearing. The Planning Commission and staff are recommending Approval based upon the following:

RECOMMENDED FINDINGS OF FACT

1. The conditional use is permitted in the applicable zone district.
2. The conditional use is consistent with the purposes of these standards and regulations.
3. The conditional use will comply with the requirements of these standards and regulations including, but not limited to, all applicable performance standards.
4. The conditional use is compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the immediate area, not detrimental to the future

development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area and the County.

5. The conditional use permit has addressed all off-site impacts.
6. The site is suitable for the conditional use including adequate usable space, adequate access, and absence of environmental constraints.
7. The site plan for the proposed conditional use will provide the most convenient and functional use of the lot including the parking scheme, traffic circulation, open space, fencing, screening, landscaping, signage, and lighting.
8. Sewer, water, storm water drainage, fire protection, police protection, and roads are to be available and adequate to serve the needs of the conditional use as designed and proposed.
9. Documentation that prior to site disturbance associated with the Proposed Project, the Applicant can and will obtain all necessary property rights, permits and approvals. The Board may, at its discretion, defer making a final decision on the application until outstanding property rights, permits and approvals are obtained or the Board may grant a Permit with conditions and/or conditions precedent which will adequately address outstanding concerns.
10. The Proposed Project considers the relevant provisions of the regional water quality plans.
11. The Applicant has the necessary expertise and financial capability to develop and operate the Proposed Project consistent with all requirements and conditions.
12. The Proposed Project is technically and financially feasible.
13. The Proposed Project is not subject to significant risk from Natural Hazards.
14. The Proposed Project is in general conformity with the applicable comprehensive plans.
15. The Proposed Project does not have a significant adverse effect on the capability of local government to provide services or exceed the capacity of service delivery systems.
16. The Proposed Project does not create an undue financial burden on existing or future residents of the County.
17. The Proposed Project does not significantly degrade any substantial sector of the local economy.
18. The Proposed Project does not unduly degrade the quality or quantity of recreational opportunities and experience.

19. The planning, design and operation of the Proposed Project reflects principals of resource conservation, energy efficiency and recycling or reuse.
20. The Proposed Project does not significantly degrade the environment. Appendix A includes the considerations that shall be used to determine whether there will be significant degradation of the environment. For purposes of this section, the term environment shall include:
 - Air quality,
 - Visual quality,
 - Surface water quality,
 - Groundwater quality,
 - Wetlands, flood plains, streambed meander limits, recharge areas, and riparian areas,
 - Terrestrial and aquatic animal life,
 - Terrestrial and aquatic plant life, and
 - Soils and geologic conditions.
21. The Proposed Project does not cause a nuisance and, if a nuisance has been determined to be created by the Proposed Project, the nuisance has been mitigated to the satisfaction of the County.
22. The Proposed Project does not significantly degrade areas of paleontological, historical, or archaeological importance.
23. The Proposed Project does not result in unreasonable risk of releases of hazardous materials. In making this determination as to such risk, the Board's consideration shall include:
 - Plans for compliance with Federal and State handling, storage, disposal and transportation requirements,
 - Use of waste minimization techniques, and
 - Adequacy of spill prevention and counter measures, and emergency response plans.
24. The benefits accruing to the County and its citizens from the proposed activity outweigh the losses of any resources within the County, or the losses of opportunities to develop such resources.
25. The Proposed Project is the best alternative available based on consideration of need, existing technology, cost, impact and these Regulations.
26. The Proposed Project shall not unduly degrade the quality or quantity of agricultural activities.
27. The proposed Project does not negatively affect transportation in the area.
28. All reasonable alternatives to the Proposed Project, including use of existing rights-of-way and joint use of rights-of-way wherever uses are compatible, have been adequately assessed

and the Proposed Project is compatible with and represents the best interests of the people of the County and represents a fair and reasonable utilization of resources in the Impact Area.

29. The nature and location of the Proposed Project or expansion will not unduly interfere with existing easements, rights-of-way, other utilities, canals, mineral claims or roads.
30. Adequate electric, gas, telephone, water, sewage and other utilities exist or shall be developed to service the site.
31. The proposed project will not have a significantly adverse Net Effect on the capacities or functioning of streams, lakes and reservoirs in the impact area, nor on the permeability, volume, recharge capability and depth of aquifers in the impact area.
32. The purpose and need for the Proposed Project are to meet the needs of an increasing population within the County, the area and community development plans and population trends demonstrate clearly a need for such development.
33. The Proposed Project is compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the immediate area, not detrimental to the future development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area.

Staff Recommendation:	Approval with 33 Findings of Fact & 2 conditions
PC Recommendation:	Approval with 33 Findings of Fact & 2 conditions

Recommended Condition of Approval

Recommended Conditions:

1. The applicant shall continue to work with Adams County staff to finalize and execute a Development Agreement prior to the March 17, 2014 Board of County Commissioners hearing on this application.
2. Once finalized and executed, the applicant shall comply with all terms and conditions of the Development Agreement between White Cliffs Pipeline, LLC and Adams County.



MEMORANDUM

To: Board of County Commissioners
From: Christopher C. La Rue, Senior Planner
Subject: White Cliffs Twin Pipeline / Case #RCU2013-00027
Date: March 17, 2014

If the Board of County Commissioners does not concur with the staff recommendation of Approval, the following findings may be adopted as part of a decision of Denial:

ALTERNATIVE RECOMMENDED FINDINGS

1. The conditional use is not permitted in the applicable zone district.
2. The conditional use is not consistent with the purposes of these standards and regulations.
3. The conditional use will not comply with the requirements of these standards and regulations including, but not limited to, all applicable performance standards.
4. The conditional use is not compatible with the surrounding area, harmonious with the character of the neighborhood, detrimental to the immediate area, detrimental to the future development of the area, and detrimental to the health, safety, or welfare of the inhabitants of the area and the County.
5. The conditional use permit has not addressed all off-site impacts.
6. The site is not suitable for the conditional use including adequate usable space, adequate access, and absence of environmental constraints.
7. The site plan for the proposed conditional use will not provide the most convenient and functional use of the lot including the parking scheme, traffic circulation, open space, fencing, screening, landscaping, signage, and lighting.
8. Sewer, water, storm water drainage, fire protection, police protection, and roads are not available and are not adequate to serve the needs of the conditional use as designed and proposed.

9. Documentation that prior to site disturbance associated with the Proposed Project, the Applicant cannot and will not obtain all necessary property rights, permits and approvals. The Board may, at its discretion, defer making a final decision on the application until outstanding property rights, permits and approvals are obtained or the Board may grant a Permit with conditions and/or conditions precedent which will adequately address outstanding concerns.
10. The Proposed Project does not consider the relevant provisions of the regional water quality plans.
11. The Applicant does not have the necessary expertise and financial capability to develop and operate the Proposed Project consistent with all requirements and conditions.
12. The Proposed Project is not technically and financially feasible.
13. The Proposed Project is subject to significant risk from Natural Hazards.
14. The Proposed Project is not in general conformity with the applicable comprehensive plans.
15. The Proposed Project has a significant adverse effect on the capability of local government to provide services or exceed the capacity of service delivery systems.
16. The Proposed Project creates an undue financial burden on existing or future residents of the County.
17. The Proposed Project significantly degrades any substantial sector of the local economy.
18. The Proposed Project unduly degrades the quality or quantity of recreational opportunities and experience.
19. The planning, design and operation of the Proposed Project does not reflect principals of resource conservation, energy efficiency and recycling or reuse.
20. The Proposed Project significantly degrades the environment. Appendix A includes the considerations that shall be used to determine whether there will be significant degradation of the environment. For purposes of this section, the term environment shall include:
 - Air quality,
 - Visual quality,
 - Surface water quality,
 - Groundwater quality,
 - Wetlands, flood plains, streambed meander limits, recharge areas, and riparian areas,
 - Terrestrial and aquatic animal life,
 - Terrestrial and aquatic plant life, and

- Soils and geologic conditions.
21. The Proposed Project causes a nuisance and, if a nuisance has been determined to be created by the Proposed Project, the nuisance has been mitigated to the satisfaction of the County.
 22. The Proposed Project significantly degrades areas of paleontological, historical, or archaeological importance.
 23. The Proposed Project results in unreasonable risk of releases of hazardous materials. In making this determination as to such risk, the Board's consideration shall include:
 - Plans for compliance with Federal and State handling, storage, disposal and transportation requirements,
 - Use of waste minimization techniques, and
 - Adequacy of spill prevention and counter measures, and emergency response plans.
 24. The benefits accruing to the County and its citizens from the proposed activity do not outweigh the losses of any resources within the County, or the losses of opportunities to develop such resources.
 25. The Proposed Project is not the best alternative available based on consideration of need, existing technology, cost, impact and these Regulations.
 26. 18. The Proposed Project unduly degrades the quality or quantity of agricultural activities.
 27. The proposed Project negatively affects transportation in the area.
 28. All reasonable alternatives to the Proposed Project, including use of existing rights-of-way and joint use of rights-of-way wherever uses are compatible, have not been adequately assessed and the Proposed Project is not compatible with and does not represent the best interests of the people of the County and does not represent a fair and reasonable utilization of resources in the Impact Area.
 29. The nature and location of the Proposed Project or expansion will unduly interfere with existing easements, rights-of-way, other utilities, canals, mineral claims or roads.
 30. Adequate electric, gas, telephone, water, sewage and other utilities do not exist or shall not be developed to service the site.
 31. The proposed project will have a significantly adverse Net Effect on the capacities or functioning of streams, lakes and reservoirs in the impact area, or on the permeability, volume, recharge capability and depth of aquifers in the impact area.

32. The purpose and need for the Proposed Project are not to meet the needs of an increasing population within the County, the area and community development plans and population trends do not demonstrate clearly a need for such development.
33. The Proposed Project is not compatible with the surrounding area, not harmonious with the character of the neighborhood, detrimental to the immediate area, detrimental to the future development of the area, and detrimental to the health, safety, or welfare of the inhabitants of the area.

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“**Agreement**”) is made and entered into by and between the COUNTY OF ADAMS, a political subdivision of the State of Colorado, hereinafter called “**County**,” and WHITE CLIFFS PIPELINE, LLC, 3030 Northwest Expressway, Suite 1100, Oklahoma City, OK, 73112, hereinafter called “**Developer**”.

WITNESSETH:

WHEREAS, Developer desires to construct approximately 23 miles of underground steel pipelines and appurtenances in Adams County (as more particularly described in that certain Conditional Use Permit Application dated August 22, 2013 with supplemental information submitted on October 23, 2013) to transport crude oil (“the **Project**”); and

WHEREAS, the Project will provide transportation of crude oil; increase efficiency of delivering products to market; and, reduce impacts to local roads by reducing truck traffic in furtherance of the goals of the Adams County Comprehensive Plan; and

WHEREAS, on August 22, 2013 with supplemental information submitted on October 23, 2013, Developer submitted an application for a Conditional Use Permit (“**CUP**”) to Adams County in accordance with the requirements outlined in Chapter 2 of the Adams County Development Standards and Regulations (“the Regulations”) the Conditional Use Permit Checklist, and requested submittal criteria from the Adams County Areas and Activities of State Interest (“**AASI**”) Checklist; and

WHEREAS, Developer has acquired all necessary right-of-way easements and temporary construction easements to utilize certain real property in the County of Adams, State of Colorado, as described in Exhibit "A" attached hereto, and by this reference made a part hereof (the “**Easements**”); and

WHEREAS, the County has designated its future road expansion plans in the Adams County Transportation Plan adopted November 2012 (“**Transportation Plan**”); and

WHEREAS, it is provided by Sections 1-02-01-02-08 and 1-08 of the Regulations that where designated, the Developer shall have entered into a written agreement with the County addressing Developer’s and the County’s obligations with regard to the Project as a condition of approval for the CUP.

WHEREAS, the County and the Developer have planned and designed the Project so it will not prohibit future development, and so that it will not add cost to the County’s future infrastructure plans to support development.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto promise, covenant, and agree as follows:

I. DEVELOPER’S OBLIGATIONS:

1. Pre-Construction Activities. Prior to site disturbance and commencing construction in the County, Developer shall:

- A. The applicant shall submit construction plans to the Adams County Transportation Department and apply for the appropriate construction permits.
 - B. In the event that any portion of the project is located within the MS4 permit boundary of unincorporated Adams County and greater than 1 acre of disturbance, a Stormwater Management Plan (SWMP) will need to be prepared according to County standards. Moreover, surety will be required for Best Management Practices (BMP) located within the MS4 boundary. Stormwater Best Management Practices will be implemented for the construction phase to capture and treat all onsite stormwater runoff, in accordance with the requirements for the SWMP.
 - C. Prepare a Traffic Control Plan for the portion of the project within Unincorporated Adams County and obtain approval of the Plan by the County. The Traffic Control Plan shall detail any impacts to the right-of-way during the construction of the Project including but not limited to lane closures, access to construction staging sites, hours of operation, etc. The traffic control plan shall be prepared in a way to minimize impacts to adjacent property owners during the construction period. The Developer must obtain written approval of the Traffic Control Plan from the Adams County Transportation Department prior to commencement of construction. The Developer shall be responsible to implement any necessary corrections to the traffic control plan.
 - D. Submit the Facilities Response Plan to the County.
 - E. Secure all applicable local, state and federal permits for the Project and submit copies of these permits to the County.
 - F. Submit copies of all executed Easements for the Project to the County.
2. Construction Activities. During construction, the Developer shall:
- A. Construct the project in accordance with the approved construction plans. The Developer shall submit a certification letter from a Professional Engineer within 45 days of construction completion certifying that the Project was constructed in accordance with the approved plans.
 - B. Manage stormwater in accordance with a SWMP (Storm Water Management Prevention Plan) prepared under the Colorado Department of Public Health and Environment (“CDPHE”) Colorado Discharge Permitting System (“CDPS”) Permit and in accordance with the Clean Water Act National Pollution Discharge Elimination System (“NPDES”) regulations and Adams County's Grading Erosion and Sediment Control standards. Stormwater Best Management Practices will be implemented for the construction phase to capture and treat all onsite stormwater runoff, in accordance with the requirements for the SWMPP.
 - C. Hours of operation shall be from dawn to dusk during construction, Monday through Saturday, except during hydrostatic testing, horizontal directional drilling (HDD), and emergency situations that would cause the Developer to be out of compliance with any applicable local, state, or federal permit. The Adams County Director of Planning and Development may extend the hours and days of operation if there has been demonstration of a sufficient need.

- D. Implement the approved Traffic Control Plan.
- E. Comply with the guidelines suggested by Colorado Parks and Wildlife to ensure there is no effect to any species of concern as referenced within the application materials of Developer's CUP Application.
- F. Comply with guidelines of Section 106 of the National Historic Preservation Act of 1966 in locations that have been identified as federally regulated within Adams County. Comply with state of Colorado Historical, Paleontological, and Archeological Resources Act of 1973 (CRS 24-80-401 to 410) on all identified state lands within Adams County. All best management practices and avoidance measures proposed within the submitted CUP on lands that are state and federally regulated by the above listed laws will be enforced.
- G. Comply with the recommendations of the Tri-County Health Department letter dated December 12, 2013.
- H. Comply with the terms of the Project's Air Pollution Emissions Notice (APEN) issued by CDPHE.
- I. All hauling/construction trucks shall cover their loads pursuant to C.R.S. 42-4-1407.
- J. The Developer will be responsible for the cleanliness and safety of all roadways adjacent to the Project in the event that there are any issues related to the Project during construction. If at any time, these roadways are found to be dangerous or not passable due to debris or mud caused by Project activities, the County shall require Developer to cease Project operations immediately and clear the roadway of any and all debris or mud. The Project shall not resume until the County, in its sole discretion deems the roadway conditions acceptable. If the Developer fails to keep the adjacent roadways clean and free from debris, the Adams County Transportation Department has the option to perform the required clean up and bill the charges directly to the Developer.

The Developer shall be responsible for repairing County infrastructure that is damaged as a result of the construction from the Project. Repairs shall occur as soon as possible, but no later than six (6) months following construction completion, unless an extension is granted by the County for extenuating circumstances. The Developer may submit evidence of the condition of the County's right-of-way at the start and completion of construction in order to discern the pre-construction condition and the post-construction condition of the roadways.

- K. All fluid spills such as hydraulic oil from maintenance of equipment shall be removed and disposed of at a facility permitted for such disposal.
- L. All complaints received by the Developer concerning off-site impacts and the resolution of those complaints, shall be conveyed to the Adams County Planning and Development Department. Off-site impacts shall be responded to and resolved immediately by the Developer. Adams County will be the final arbitrator regarding the resolution of noise complaints or any other off-site impacts. Excessive complaints that are not resolved to the satisfaction of the

County may be justification for a Show Cause Hearing before the Adams County Board of Commissioners.

- M. All construction vehicles shall have a backup alarm which shall comply with OSHA requirements, 29 CFR 1926.601(b)(4) and 1926.602(a)(9) and/or other remedies (such as flagmen) to minimize noise as approved by the County.
- N. If fuel will be stored on the subject properties or within the County's right-of-way, the following guidelines shall be implemented: All fuel storage at this site shall be provided with secondary containment, which complies with state law and any appropriate regulatory standards; fueling areas shall be separated from the rest of the site's surface area, and protected from storm water; and Developer shall provide a spill prevention plan and release prevention plan for fuel storage and fueling operations. Spill and drip containment pans shall be emptied frequently and all spills shall be cleaned up and disposed of immediately at a facility permitted for such disposal.

Developer shall notify the County prior to commencing any snow removal operations within the County's right-of-way. The Developer shall be responsible for any damages to the right-of-way caused by these activities and shall repair damages at their expense within 60 days of receiving notice from the County.

- O. Developer shall comply with all applicable local, state and federal requirements during the course of the Project.
- P. Failure to comply with the requirements set forth in this agreement may be justification for a show cause hearing where the CUP Permit may be revoked.

3. Design Requirements.

- A. The Project will be designed to meet or exceed the minimum Federal Safety Standards contained in 49 CFR 195 and national engineering design codes for pipelines set forth by the American Society of Mechanical Engineers.
- B. Pipeline burial depths will meet or exceed federal, state, and applicable engineering standards. The pipelines will be buried with a minimum of 36 -inches of cover where practical and in locations where such burial depth is not achievable, additional mechanical protection will be provided, such as increased pipe wall thickness, due to strategic locations such as road crossings, as approved by the County and referenced within this Agreement.

The location of the White Cliffs Twin Pipeline is very rural and County transportation and drainage projects are not anticipated in this area. If a project occurs in the area of the approved pipeline alignment, the Developer agrees to avoid any regional drainage improvements, to the extent possible. The County agrees to make all reasonable attempts to avoid the pipeline during the design and construction of future drainage facilities. In the event that a future regional drainage improvement project requires the relocation of the pipeline, the Developer agrees to relocate the pipeline at its sole expense. Adams County shall give 30 calendar days written notice if it determines that the pipeline needs to be re-located.

4. Operational Requirements.

- A. The Project will be operated to Federal Safety Standards contained in 49 CFR 195, as well as the Developer's operating standards and practices and maintenance procedures as referenced within the Developer's CUP application materials submitted to the County for the Project.
 - B. The steel pipelines will have a corrosion prevention system as detailed within the Developer's CUP application materials submitted to the County for the Project.
5. The Project will have a multi-faceted integrity management program, as required under federal pipeline safety standards (49 CFR 195 and ASME B31.4). The Project will be operated in accordance with all applicable local, state and federal codes, laws and regulations, including but not limited to the Colorado Department of Transportation ("CDOT") and the Colorado Department of Public Health and Environment ("CDPHE"), Post-Construction and Maintenance Requirements.
- A. Developer agrees to restore any disturbed County-owned lands in compliance with the requirements of applicable easement agreements, as soon as possible, but no later than December 31, 2014. In the event that reseedling is unsuccessful in the first growing season, the Developer agrees to comply with the terms of the easement agreements to restore the land during the subsequent growing season. The County may grant an extension for good cause, in writing, in the event of unforeseen circumstances.
 - B. Developer agrees to restore any disturbed private property in accordance with the applicable easement agreements, as soon as possible, but no later than December 31, 2014. In the event that reseedling is unsuccessful in the first growing season, the Developer agrees to comply with the terms of the easement agreements to restore the land during the subsequent growing season. The County may grant an extension for good cause, in writing, in the event of unforeseen circumstances.
 - C. Construction plans submitted by the Developer to the County for the Project show the pipeline located completely outside of the future right-of-way as depicted in the Adams County 2012 Transportation Plan. In the event that the pipeline is not constructed in accordance with the construction plans approved by the County and there becomes a conflict with a future roadway expansion project, as such project is contemplated under the Transportation Plan, the Developer agrees to relocate the pipeline at its own expense.
 - D. The Developer also agrees that the approval of encroachment agreement requests for parking lots and driveways on private property shall not be unreasonably or arbitrarily withheld, in accordance with the terms of the easement agreements for the Project.
 - E. Developer agrees that it shall not disrupt or damage the functionality of any existing drainage facilities.

- F. Developer agrees to submit “as built” construction drawings to the Adams County Assessor’s Office within 120 days of construction completion in accordance with the procedures established by the County.
- G. Developer agrees to submit emergency contact information, emergency response plans, and final maps of the Project, including all associated valves and pipeline components, to the local fire districts along the Project and to the Adams County Office of Emergency Management before commencing operation of the pipeline. The Developer shall comply with all other requests for information from the Adams County Office of Emergency Management in accordance with local, state, and federal law.
- H. Maintenance of the Project will follow guidelines set forth in the Developer’s operations and maintenance procedures (referenced in Section 4.C of this Agreement), which meet or exceed regulatory requirements. Maintenance activities associated with the line and permanent easement include, but are not limited to, the following:
- Implementation of a damage prevention program including observation of any construction activities by others on or near the permanent easement;
 - Implementation of a public education program;
 - Installation and maintenance of pipeline markers;
 - Inspection and maintenance of corrosion control systems;
 - Inspection of block valves;
 - Inspection of crossings by other pipelines, highways, utilities;
 - Inspection and maintenance of safety, control, mechanical, and electrical equipment;
 - Maintenance of communication equipment; and
 - Calibration of all instruments to comply with USDOT regulations.

6. Development Impact Fees. There are no development fees associated with this Project.

7. Encroachment Upon Future Right of Way.

In any segment of the Project that is parallel to an Adams County right-of-way, the pipeline shall be constructed a minimum of five (5) feet from the edge of the maximum future right-of-way width, as designated in the Adams County 2012 Transportation Plan.

As development of the Transportation Plan is implemented and if the location and existence of Developer’s permanent easement precludes such development, Developer’s overlapping easement rights shall be subordinated (subject to the then-existing rights of the parties, laws and regulations) to accommodate Adams County’s development.

8. Acceptance and Maintenance of Public Improvements. Developer is not required to make any public improvements or make any public dedications in connection with the Project.
9. Guarantee of Compliance. Developer hereby agrees that should it fail to comply with the terms of this Agreement, then the County shall be entitled to obtain from the Colorado State District Court for the Seventeenth Judicial District a mandatory injunction requiring said Developer to comply with the terms of this Agreement. Prior to the County seeking such an injunction, Developer shall be provided the opportunity to cure any default in accordance with the terms set forth herein at section III.5.
10. Financial Security. The County has determined that there is no need for a guarantee of financial security with regard to this Project.
11. Successors and Assigns. This Agreement shall be binding upon the heirs, executors, personal representatives, successors, and assigns of the Developer, and shall be deemed a covenant running with the real property described in Exhibit "A" attached hereto.

II. COUNTY'S OBLIGATIONS:

The County shall have no obligations associated with this Agreement.

III. GENERAL PROVISIONS:

1. No Third Party Beneficiaries. This Agreement is intended to describe and determine such rights and responsibilities only as between the parties hereto. It is not intended to and shall not be deemed to confer rights or responsibilities to any person or entities not named hereto.
2. Notices. Any and all notices, demands or other communications desired or required to be given under any provision of this Agreement shall be given in writing and delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid or by email addressed as follows:

To Developer:

White Cliffs Pipeline, LLC
Attention: Land and Right-of-way Department
3030 Northwest Expressway, Suite 1100
Oklahoma City, OK 73112

To Adams County:

Director, Adams County Planning and Development Department
4430 South Adams County Parkway, 1st Floor, Suite W2000A
Brighton, CO 80601
Email: amontoya@adcogov.org

With a copy to:

Adams County Attorney
4430 South Adams County Parkway
Brighton, CO 80601

3. Amendments.

Should any changes to the Conditional Use Permit be proposed before, during or after completion of the Project, the Developer shall submit the details of those changes to the Adams County Planning & Development Director for a determination as to whether those changes constitute a Major or Minor Amendment in accordance with the Regulations.

This Agreement may be modified, amended, changed or terminated in whole or in part by an agreement in writing duly authorized and executed by the parties hereto with the same formality, and subject to the same statutory and regulatory requirement, as this Agreement.

4. Controlling Law. This Agreement and its application shall be construed in accordance with the laws of the State of Colorado.

5. Default. If either party is in default under this Agreement, the non-defaulting party shall provide written notice of said default to the defaulting party to the address provided in Section 2 immediately above. The defaulting party shall have 30 days to cure the default, unless an extension is granted in writing by the non-defaulting party for good cause. The non-defaulting party may seek all remedies available pursuant to the Agreement and under the law.

6. Costs and Fees. In the event of any litigation arising out of this Agreement, the parties agree that each will pay its own costs and fees.

WHITE CLIFFS PIPELINE, LLC (Developer)

By: _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by _____ as Agent and Attorney-In-Fact of WHITE CLIFFS PIPELINE, LLC.

My commission expires: _____

Address: _____
_____ Notary Public

APPROVED BY resolution at the meeting of _____, 2014.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
ADAMS COUNTY, COLORADO

Clerk to the Board

Eva Henry, Chair

White Cliffs Twin Pipeline

Case Number:	RCU2013-00027
Planning Commission Hearing Date:	02/13/2014 at 6:00 p.m.
Board of County Commissioners Hearing Date:	03/03/2014 at 10:00 a.m.

Case Manager: Chris LaRue
Case Technician: Genevieve Pizinger
Applicant: White Cliffs Pipeline LLC
PETER L. SCHWIERING
3030 NW EXPRESSWAY
SUITE 1100
OKLAHOMA CITY, OK 73112

Owner:

Representative:

Location: CO
Parcel Number: 015521400001
Size of Property: undetermined parcel size
Proposed Use: Agricultural
Request: Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12 inch underground crude oil pipeline from 168th Ave & Peoria Crossing Rd southeast through Adams County to E 72nd Ave & Meridian Rd

HEARINGS

Planning Commission		Board of County Commissioners	
Date:	02/13/2014	Date:	03/03/2014
Action:		Action:	
Date:		Date:	
Action:		Action:	
Review for Tracking:		Date:	
Map Updated by:		Date:	
Approved By:		Date:	



**DEPARTMENT OF PLANNING AND DEVELOPMENT
STAFF REPORT**

Planning Commission

February 13, 2014

CASE No.: RCU2013-00027	CASE NAME: White Cliffs Twin Pipeline
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Owner's Name:	White Cliffs Pipeline, LLC
Applicant's Name	White Cliffs Pipeline, LLC
Applicant's Address:	3030 NW Expressway, Suite 1100, Oklahoma City, OK
Location of Request:	Multiple Parcels from 168 th Avenue & Peoria Crossing Road to East 72 nd Ave & Meridian Road
Nature of Request:	Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12 inch underground crude oil pipeline from 168th Ave & Peoria Crossing Rd southeast through Adams County to E 72nd Ave & Meridian Rd
Site Size:	Many parcels (Pipeline runs 23 miles with a 75 right-of-way)
Zone District:	A-3
Existing Use:	Agriculture
Proposed Use:	Agriculture with buried pipeline
Hearing Date(s):	PC = February 13, 2014 (6:00 p.m.) BoCC = March 3, 2014 (10:00 a.m.)
Report Date:	January 27, 2014
Case Manager:	Christopher C. La Rue <i>cd AM</i>
Staff Recommendation:	Approval with 33 findings & 2 Conditions

SUMMARY OF PREVIOUS APPLICATION

Case # RCU2008-00009, SemCrude/White Cliffs Crude Oil Pipeline, was approved by the Board of County Commissioners on July 23, 2008. The request was for a Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12 inch underground crude oil pipeline from 168th Avenue & Peoria Crossing to East 72nd Avenue and Meridian Road. This pipeline was constructed in 2008.

SUMMARY OF APPLICATION

The applicants are requesting a Conditional Use Permit to allow approximately 23 miles (527 miles total) of a 12-inch underground crude oil pipeline from 168th Ave & Peoria Crossing Road to E 72nd Avenue and Meridian Road for the portion of the pipeline within unincorporated Adams County. The White Cliffs Pipeline would be approximately 525 miles in total length, from Platteville, Colorado, through Kansas, to Cushing, Oklahoma. The site in Platteville would consist of a tank farm and pump station where the crude oil would be sent through the pipeline to the processing plant in Cushing, Oklahoma.

Due to the increases in oil and gas production, primarily in Weld County, and due to the Suncor Refinery in Commerce City being at capacity, there is a need to transport crude oil through an additional 12-inch crude oil pipeline. The preferred pipeline route is designed to be located parallel to and approximately 15 feet offset from the existing pipeline that was approved and constructed in 2008. The properties along the pipeline within unincorporated Adams County are in the A-3 (Agricultural) zone district.

COMPANY OVERVIEW

White Cliffs Pipeline, LLC and SemGroup Company Profile

White Cliffs Pipeline, LLC is a subsidiary company of SemGroup Corporation. The following company information is on the home page of their website:

“SemGroup Corporation is a publicly held company that moves energy safely through a network of pipelines, terminals and storage tanks. SemGroup provides gathering, transportation, processing, storage, distribution, marketing and other midstream services primarily to independent oil and natural gas producers, refiners of petroleum products and other market participants located in the Mid-Continent and Rocky Mountain regions of the United States and in Canada, Mexico and the United Kingdom.

With the common root word “sem,” meaning one, SemGroup operates as a family of companies through its subsidiaries. SemGroup owns 100% of Rose Rock Midstream G.P., LLC along with its incentive distribution rights and has a majority interest in Rose Rock Midstream L.P. SemGroup also holds a significant amount of equity in NGL Energy Partners. All of the SemGroup divisions are committed to a “zero incident” culture, with employees working to keep the public, and each other, safe.”

SemGroup owns 35 percent of White Cliffs Pipeline and their Master Limited Partnership, Rose Rock Midstream, L.P., owns 17 percent of the pipeline and also serves as the pipeline operator.

OVERVIEW OF NEED FOR THE PIPELINE

An abundant amount of oil and gas is currently being produced in Colorado. The refineries and the pipelines in Colorado for crude oil are currently over capacity. The only alternative is to adequately and efficiently transport the crude oil product to a location where it can be stored and then transported to refineries around the Country, to meet market demands and rely less on

foreign oil. The most efficient and environmentally friendly way to transport the oil is by pipeline rather than over the road. Transportation of the product by pipeline will have less impact on the Adams County roads, as well as roads throughout Colorado. Since there would be fewer trucks on the roads to transport the oil, there is an added benefit to air quality of the area. With the Denver area being in non-attainment status for ozone, the pipeline will be a substantial benefit to the air quality of the region because of the reduction of truck trips this facility would provide. If the crude oil were to be transported over the road, rather than within a pipeline, Adams County would not regulate that transportation with any land use permit. This Conditional Use Permit gives Adams County Government the opportunity to ensure that the health, safety and welfare of the residents are taken into account. SemCrude, L.P. and White Cliffs Pipeline, L.L.C. has completed extensive permitting through other Federal and State agencies to permit this pipeline. The Department of Transportation (DOT) regulates safety and other factors of the pipeline which is described within the permitting section of this report.

THE PIPELINE – PREFERRED ROUTE

As with the previous pipeline, the new pipeline will be a total of 527 miles in length, beginning at the Rose Rock Truck Unloading Facility, located east of Platteville, Colorado and will traverse Colorado, Kansas and Oklahoma, in a fairly straight line, on into Cushing, Oklahoma where the line terminates.

The original White Cliffs 12-inch Pipeline's capacity is approximately 70,000 barrels per day. White Cliffs Twin Pipeline is an expansion of the existing pipeline, with the construction of a new 12-inch diameter pipeline looping the existing pipeline. The White Cliffs Twin Pipeline's capacity is approximately 80,000 barrels per day and both pipelines will have a total capacity of about 150,000 barrels per day. The new pipeline is expected to be completed in 2014. As part of the project there would be one above ground facility within unincorporated Adams County consisting of a main line block valve located on the southwest corner of 136th Avenue and Deter-Winters Road. At this site the pipe daylights and there is valve that can be accessed.

The existing pipeline that is currently in service delivers crude oil from the oil fields in Colorado to the United States market. There are shipper commitments on the existing pipeline to transport and deliver the crude oil, which is specified in contracts with suppliers. These commitments are for a specific number of barrels that contractually have to be delivered within a specific timeframe. To replace the existing line with a larger line would require shutting down the line, which is not possible due to the existing contracts. The existing line is one of the main transports for oil out of Colorado, and shutting down the line could cause significant negative impacts to production state wide.

The 504 miles of the additional pipeline that is outside of Adams County is already designed to run parallel to the existing pipeline and it is the preferred route. The preferred alignment is the shortest distance from the point it enters and exits out of Adams County.

A substantial amount of attention was given to the best location of the pipeline and took into account the connection to the north into Weld and Morgan Counties and to the southeast in

Washington and Kit Carson Counties. Rights-of-way and easements have been acquired for the *all* of the properties that will be crossed within Adams County. The majority of the other easements along the 527-mile pipeline have been obtained (copies of all easements within Adams County are included within this submittal). The impacts of the second pipeline are limited, since it is planned to run within the same easement as the existing pipeline through Adams County. Additional permanent and construction easements have already been acquired on all of the properties within Adams County. The majority of the landowners in Adams County, where the new pipeline will be located, are generally the same as they were for the previous pipeline. Some of the landowners originally agreed to two pipelines and others wanted to re-negotiate with White Cliffs once the second pipeline was ready to be constructed. As stated above, all landowners have agreed to and executed easement agreements. The applicant states there was no use of condemnation for the easements on this project. For informational purposes, there are 29 properties within one mile of the pipeline that have residential structures on them (see the enclosed map).

The applicant went through an evaluation process to determine the best route for the pipeline, including minimizing impacts to private properties, stream crossings, road crossings, and potential environmental impacts. The pipeline alignment was determined because of the relatively flat terrain that has been used for agricultural purposes and because of the rural nature of the area. When the pipeline is complete, the area above the pipeline will be returned to current conditions to the best extent possible.

The portion of the pipeline that extends through Colorado would be approximately 154 miles in length. This portion of the White Cliffs Pipeline includes Weld, Morgan, Adams, Washington, and Kit Carson Counties in Colorado. The applicant has stated that other than in Adams County, no other land use permits were required along the route from the other counties. The portion of the pipeline through Adams County is approximately 23 miles. The pipeline route will consist of a 25-foot construction easement, with another 15 feet being reserved as a permanent easement. Actual limits of disturbance within the construction easement will vary by location and would be dependent on site-specific conditions. Easements have been acquired from all landowners within Adams County and copies were included with the application materials. The cover depth at the top of the pipe would be 36 inches, with the depth of the bottom of the pipe being located at 48 inches. There will be no lighting, activities, noise, or increased traffic associated with the use, other than some minimal activities during the construction phase.

ALTERNATIVES

White Cliffs Pipeline, LLC did go through an evaluation process to determine the best route for the pipeline, including minimizing impacts to private properties, stream crossings, road crossings, and potential environmental impacts. The pipeline alignment was determined because of the relatively flat terrain that has been used for agricultural purposes and due to the rural nature of the area. This permit is for a pipeline to run parallel to the existing pipeline, a distance of approximately fifteen feet from the original pipeline.

White Cliffs Pipeline submitted information for two additional alignments through Adams County. Alternative Alignment 1 starts in Adams County at the same location as the Preferred Alignment and Alternative Alignment 2, but is shown going south of the preferred alignment. It also exits Adams County in the same location as the Preferred Alignment and Alternative Alignment 2. Alignment 2 is shown going north of the Preferred Alignment. The locations of the pipeline going into and out of Adams County are the same for each alternative so that the pipeline will be coordinated with approvals in surrounding counties.

Both Alignment 1 and Alignment 2 are options that are feasible, but are longer routes through the County and impact significantly more land owners. Easements along these routes have not been acquired because White Cliffs has already acquired easements from property owners on the preferred alignment. Alignments 1 and 2 cross more streams and creeks than the preferred route and there are additional roadway crossings through Adams County. An Environment Assessment and Report was submitted addresses Threatened and Endangered Species, Historical and Cultural impacts on both Alignment 1 and Alignment 2.

Safety

The pipeline would be identified with markers at regular intervals so that individuals are notified there is a buried pipeline. In addition, the pipeline is monitored by a Supervisory Control and Data Acquisition (SCADA) system 24 hours a day. This computerized system is located in the Oklahoma City office and detects any potential problems within the pipeline or associated storage tanks (there are no tanks in Adams County) for the project. Should any problems or incidents occur staff monitoring the SCADA system will know immediately and would take appropriate action to remedy a situation wherever the problem may occur. Should a problem occur in Colorado, the SCADA system would recognize the problem and alert staff in the Oklahoma City office, who would then be able to take action.

There have been no pipeline operational incidents in Adams County regarding the existing pipe. White Cliffs Pipeline has operated without incident along its entire system length from Colorado to Oklahoma. The only exception was in 2010 when a minor sump overflowed inside the Cushing Station due to a level switch malfunction that was immediately corrected. As an ongoing measure, the switch is now tested periodically to insure proper operation.

Regarding incidents for SemGroup/Rock Midstream Company wide, a minimal number of incidents have occurred in some of the older rural gathering systems that were previously unregulated. Those assets were obtained by acquisitions of various companies prior to SemGroup's reorganization and therefore there are no records prior to 2009 available. Twenty-three incidents occurred during the period from 2009 through 2013 on those gathering pipelines and all were small volume incidents. Twelve incidents are related to typical equipment failures such as pump seals leaking inside the station property. A third party caused one incident and the remaining incidents are attributed to internal corrosion. Gathering pipelines flow at much lower volumes and stratified flow conditions. Thus, the older pipelines are more subject to internal corrosion caused by bacteria. The existing pipeline and the proposed Twin Pipeline are mainlines designed to operate under turbulent flow conditions so internal corrosion is not a primary risk.

In order to mitigate internal corrosion for the gathering pipelines the applicant has implemented a program involving the injection of biocides to kill the bacterial causing the internal corrosion. Those gathering lines mentioned in the paragraph above were built in the 40s and 50s and corrosion was experienced prior to the invention of biocides. The injection system has been in effect for the past six years and proven very effective.

There is a comprehensive Pipeline Integrity Management Program required by the Federal Regulations. The program is designed to identify and mitigate risks to regulated pipelines like the original White Cliffs pipe and the White Cliffs Twin. The program is inspected periodically by state and federal auditors. The pipe must be inspected using specially designed inspection tools designed to identify corrosion or other damage to the pipeline. The pipe is also hydro tested before being put into operation.

PERMITTING

The applicant shall secure all necessary road crossing permits from the Transportation Department. Should any changes occur in the layout of the pipeline, amendments to the road crossing permits may be required. In addition, a copy of the Colorado Discharge Permits System (CDPS) permit from the Colorado Department of Public Health and Environment is requested. The Public Works Department has also reviewed the necessary Flood Plain Use permits, but is holding the issuance of those permits pending this application.

The State of Colorado has issued the applicant permit approval for an Air Pollution Emissions Notice (APEN) for the project. A copy of this permit is included within the packet. The applicant has stated they were verbally told by the Department of Health no further permitting was needed. As of the report date the Colorado Department of Health has provided no further comments. The applicants have also received their needed permits for the States of Kansas and Oklahoma (copies attached).

The applicant was also responsible to fulfill the requirements of a Nationwide General Permit (NWP). NWPs are valid for 5 years from the date of issuance and have built in conditions. The NWP authorizes the construction, maintenance, or repair of utility lines, including outfall and intake structures, and the associated excavation, backfill, or bedding for the utility lines, in all waters of the United States, provided there is no change in pre-construction contours. A “utility line” is defined as any pipe or pipeline for the transportation of any gaseous, liquid, or slurry substance for any purpose, and any cable, line, or wire for the transmission for any purpose of electrical energy, telephone, and telegraph messages, and radio and television communication. A copy of the NWP is included with this report.

The pipeline will be comprehensively regulated and permitted under federal enabling law and regulations promulgated by the United States Department of Transportation (USDOT) for the transportation of hazardous liquids via pipeline. The applicant has provided a detailed list of permits required from various federal, state, and local entities, and the status of each applicable permit within the application. The USDOT regulations require pipelines to meet design

requirements and comply with numerous USDOT requirements during the construction. Part 195 of the USDOT regulations govern all aspects and appurtenances to the pipeline, which are defined as including, but not limited to "line pipe, valves and other appurtenances connected to the line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks." The USDOT regulations require a pipeline right-of-way to avoid "as far as practicable, areas containing private dwellings, industrial buildings, and places of public assembly." The regulations state in specific detail the requirements for materials inspections, construction inspections, welding, cover over buried pipelines, backfilling, valves, pumping equipment, etc., and require that a complete construction record be maintained for the life of the project. USDOT regulations will continue to govern how the pipeline is operated and maintained after construction is complete. These standards are enforced by the USDOT, Office of Pipeline Safety (OPS) through routine inspections, audits and required operator reports before, during, and after pipeline construction.

USDOT regulations also require that once the pipeline is operational, the applicant must establish a liaison with local fire, police, and other appropriate governmental officials to determine the availability of emergency response resources in the event of an accident or emergency involving the pipeline, and establish an effective means of communication with local emergency response officials. Prior to operation, the applicant will be required to develop a written procedure manual which includes emergency response plans. Required information for the manual includes specific steps for controlling potential releases of hazardous liquids by means of shutting down pipeline segments, evacuation plans, notifying local officials of incidents, and coordinating preplanned and actual responses necessary in the case of an emergency.

With respect to the Federal Energy Regulatory Commission (FERC), it is important to note they do not have oversight or regulatory control for the construction of oil pipelines, nor do they have authority for pipeline safety. Once the pipeline is constructed, FERC will be responsible for the regulation of the transmission of oil in interstate commerce. This basically means FERC sets the rates (tariff) for the pipeline. They also use civil penalties and other means against energy organizations and individuals who violate FERC rules in the energy markets.

Relationship of the Project to Adopted Local, State, and Federal Land Use

Adams County Comprehensive Plan

The Adams County Comprehensive Plan was taken into consideration when developing routes and in the analysis of the alternatives. Siting for the location of the existing pipeline and the parallel pipeline both took into consideration future growth and development and they have both been designed to avoid developed areas. The project's relationship to relevant policies and guidelines are summarized below.

Agriculture

The Comprehensive Plan aims to maintain high quality agricultural land. Minimizing impacts to agricultural lands is an important objective of this project. The proposed parallel crude oil pipeline will be located with an area that is zoned for agricultural uses and after construction of the pipeline is complete, the area will still be utilized for agricultural purposes. White Cliffs is

working directly with landowners, who have already provided easements, on restoration of the disturbed areas once construction is completed. The area covering the pipeline will be re-vegetated as close to existing conditions as possible or other arrangements were negotiated with the landowner if any crops would be impacted.

Mineral Resources

The purpose of the crude oil pipeline is to transport a valuable mineral resource from Colorado to the market. The oil and gas industry is an essential economic engine for Adams County and the State of Colorado. No other mineral or energy resources are impacted by this project.

Floodplains

The Comprehensive Plan states that reduction of future flood damage is a goal. The pipeline will not have any long-term effects on the floodplain or floodway within Adams County. Floodplain permits for the Bijou Creek and Muddy Creek mapped floodplain areas have been submitted to the Adams County Transportation Department for review and approval, pending approval of this Conditional Use Permit.

Open Space

The Comprehensive Plan contains goals and policies for maintaining, protecting and enhancing suitable open space areas, including a number of specific open space corridors. The proposed crude oil pipeline will not affect any areas proposed for future open space.

Economic Development

The Comprehensive Plan encourages investment in public infrastructure to allow for desired growth and industrial expansion. The project allows the transportation of crude oil to storage facilities, refineries and to the market in the most efficient manner and has little or no impacts to Adams County roads or the environment. The oil and gas industry is a very important economic industry for Adams County and the State of Colorado, directly and indirectly employing over many people in the State.

Other Considerations

Water Pollution

A stormwater Management Plan and Permit are approved by the State of Colorado. Documentation showing the approval by the State is included under the Appendix Section of this application. The Contractor's Environmental Guidelines have been included within the Environmental Section of the Appendix. The construction activities will be in compliance with Section 404 of the Clean Water Act. The stormwater Management Plan, including Best Management Practices, will be implemented as applicable to prevent sedimentation and erosion runoff during construction activities. Direct impacts to water resources will not occur.

Air Pollution

There will be no air pollutants from this project, since the pipeline is located underground. There may be some temporary conditions during construction when dust may be generated. The pipeline is constructed in a short period of time so any dust generated would be temporary.

Water will be used for dust suppression, if necessary. The area where the ground is disturbed will be re-vegetated with cover similar to existing vegetation and areas disturbed are minimal. The applicant has obtained an Air Pollution Emission Notice (APEN) permit from CDPHE.

Requirements for Public Facilities/Services

No additional public facilities or services are required as a result of the crude oil pipeline.

Employment Opportunities

There may be some local employment opportunities for the construction of the pipeline project and the applicant does not require additional staff at this time to operate and maintain the pipeline.

Access/Travel Routes, Public Areas and Views

Wherever possible, access routes for construction and maintenance will be from public roads. Any additional access that may be required for construction will be along an easement or negotiated with individual landowners. There are no impacts to public areas and the pipeline will not impact any views.

Noise Levels

There is no noise associated with the pipeline project, other than some temporary noise associated with construction activities. Construction noise will not exceed State of Colorado Noise Thresholds or the Adams County requirement.

Housing Requirements

The proposed pipeline will not require any additional housing during construction or operation.

Transportation Network

There will be no impacts to the current transportation network as a result of the pipeline. Some minor impacts may occur during construction, with deliveries of pipe and other construction materials. These impacts will be temporary and will not affect any major roads or intersections within Adams County. Adams County roadway crossing permits will be obtained from the Transportation Department prior to construction and have been submitted.

Drainage and Hydrology

The proposed pipeline will not create runoff in excess of historic levels and will not change existing topography or adversely affect drainage. There will be no alteration in the pattern or intensity of surface drainage as a result of construction and operation of the pipeline. We have verified that the pipeline does not fall within the Adams County MS4 area based on Adams County's MS4 Permitted Area Map and other available sources. (See copy of the Adams County MS4 Permitted Area Map in the Appendix of this application).

Water Usage Requirements

Some minor water use will occur during construction and may include dust suppression (if necessary) and consumption by workers. This water will be obtained from existing sources. No water is required during the operation of the pipeline.

Physical and Socioeconomic Development Impacts

The pipeline is for the transportation of crude oil from the Northern Colorado area to Cushing, Oklahoma, where it will be stored in tanks and delivered by pipeline to refineries around the United States. After the oil is refined, it is marketed to consumers. The oil is an important export for Colorado and lessens the Country's dependence on foreign supplies. Economic Studies conducted by the University of Colorado, Boulder, Leeds School of Business and Cushman & Wakefield have been provided with this application. These studies were obtained from the COGA website. These studies show the economic benefits to the State of Colorado and specifically the Denver Metro Area. There are positive economic benefits due to this pipeline, including getting a local product to the market and providing employment opportunities. There are added financial benefits from the industry in the form of severance and property taxes for local governments, including counties and municipalities. The details can be found in both of these studies.

Mitigation of Environmental Impacts

SW Geoscience has conducted a variety of environmental studies and reports for the pipeline project. Included with the application materials is a summary of the Nationwide 12 Permit. The Nationwide 12 Permit is over 1000 pages long and covers the entire distance of the pipeline. Environmental studies and reports have been conducted by SW Geoscience and are included in the Environmental Section of the Appendix of the application materials.

The Contractor's Environmental Guidelines address how any potential threatened or endangered species shall be handled if encountered in the field. Additionally, the Guidelines give a description of the listed federally endangered and/or threatened species, where they might be found, and how to identify potential presence of threatened and endangered wildlife and their habitat. If the contractor for the pipeline observes any potential threatened or endangered wildlife or habitat, activities will halt and the contractor will contact White Cliffs Pipeline, LLC. All State and Federal laws will be followed in regard to threatened or endangered species.

Permits and Agency Coordination Section 404 of the Clean Water Act

The Project would be authorized under Nationwide Permit 12 (NWP 12) for Utility Lines. Submittal of Preconstruction Notification (PCN) to the USACE was not deemed necessary for this Project because, under the Preferred Alternative, impacts to waters of the U.S. are minimal, temporary, and do not trigger any of the reporting thresholds under NWP 12 or its General Conditions. Documentation detailing the results of field investigations for waters of the U.S. and reviewing the applicability of Nationwide Permit 12 for the Preferred Alternative was sent to the USACE Omaha District, Denver Regulatory office on August 2, 2013 for verification of findings. No response from the USACE has been received to date.

Endangered Species Act

No effects to federally-listed threatened or endangered species are anticipated as a result of the Preferred or Alternative alignments.

National Historic Preservation Act

No eligible or potentially eligible sites would be impacted as part of the Preferred or Alternative alignments. Based on State of Colorado law, a permit was obtained from the Office of Archaeology & Historic Preservation to do a Class III survey on the one State owned tract of land crossed by the Preferred Alternative in Adams County. The entire length of the Preferred Alternative on the State tract was investigated and no cultural material was found. Findings have been submitted to the Office of Archaeology & Historic Preservation.

Historical and Archaeological information was obtained from the Colorado Historical Society. Based on the data, there are no sites within the unincorporated Adams County alignments for the pipeline or the alternate alignments that are listed or eligible for listing on the National Register of Historic Places. The Contractor's Environmental Guidelines address Historical and Archaeological Resources.

Bald and Golden Eagle Protection Act

No effects to bald or golden eagles are anticipated as a result of the Preferred or Alternative alignments.

Stormwater Management

The applicant has providing documentation of the Stormwater Management Plan and approved permit, the floodplain permits already submitted to Adams County, the road crossing permits, and Environmental Report for Threatened and Endangered Species, Historical and Cultural impacts for the preferred pipeline alignment and Alternatives Alignments 1 and 2 as shown on the Site Plan Maps. Additionally, copies of the following reports are included in the Environmental Section of the Appendix:

- Storm Water Management Plan extension letter and approval
- Contractor's Environmental Guidelines
- Contractor's Guide for Threatened and Endangered Species
- Environmental Desktop Review, White Cliffs Twin Pipeline, Alternative Routes in Adams County, Colorado, dated August 2013, Southwest Geoscience
- USACE Permit Nationwide 12 Summary Document

Development Agreement

The applicant has agreed to enter into a Development Agreement as part of this application that will cover a number of issues such as pre-construction requirements, construction and operational standards, maintenance of the pipeline, and consideration for future development. This agreement is currently in draft form and the most recent draft has been included in this packet. The applicant is in agreement with the current draft. Staff recommends that execution and compliance with this agreement be a condition of approval for this case.

CONCLUSION

The applicant's preferred route parallels the existing pipeline and results in the least significant impacts by co-locating in accordance with industry best practices. Staff has not received any negative citizen responses from property owners in the area of the proposed path for the pipeline

that would prohibit the project from going forward. With the exception of short term construction the pipeline will not pose any additional impacts on the environment or on the surrounding area since the line would be buried and monitored 24 hours a day. The proposal is consistent with the surrounding area and zoning provided all of the recommended conditions of approval are adhered to. Staff is recommending approval of the request for the preferred alignment.

RECOMMENDED FINDINGS OF FACT

1. The conditional use is permitted in the applicable zone district.
2. The conditional use is consistent with the purposes of these standards and regulations.
3. The conditional use will comply with the requirements of these standards and regulations including, but not limited to, all applicable performance standards.
4. The conditional use is compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the immediate area, not detrimental to the future development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area and the County.
5. The conditional use permit has addressed all off-site impacts.
6. The site is suitable for the conditional use including adequate usable space, adequate access, and absence of environmental constraints.
7. The site plan for the proposed conditional use will provide the most convenient and functional use of the lot including the parking scheme, traffic circulation, open space, fencing, screening, landscaping, signage, and lighting.
8. Sewer, water, storm water drainage, fire protection, police protection, and roads are to be available and adequate to serve the needs of the conditional use as designed and proposed.
9. Documentation that prior to site disturbance associated with the Proposed Project, the Applicant can and will obtain all necessary property rights, permits and approvals. The Board may, at its discretion, defer making a final decision on the application until outstanding property rights, permits and approvals are obtained or the Board may grant a Permit with conditions and/or conditions precedent which will adequately address outstanding concerns.
10. The Proposed Project considers the relevant provisions of the regional water quality plans.
11. The Applicant has the necessary expertise and financial capability to develop and operate the Proposed Project consistent with all requirements and conditions.
12. The Proposed Project is technically and financially feasible.

13. The Proposed Project is not subject to significant risk from Natural Hazards.
14. The Proposed Project is in general conformity with the applicable comprehensive plans.
15. The Proposed Project does not have a significant adverse effect on the capability of local government to provide services or exceed the capacity of service delivery systems.
16. The Proposed Project does not create an undue financial burden on existing or future residents of the County.
17. The Proposed Project does not significantly degrade any substantial sector of the local economy.
18. The Proposed Project does not unduly degrade the quality or quantity of recreational opportunities and experience.
19. The planning, design and operation of the Proposed Project reflects principals of resource conservation, energy efficiency and recycling or reuse.
20. The Proposed Project does not significantly degrade the environment. Appendix A includes the considerations that shall be used to determine whether there will be significant degradation of the environment. For purposes of this section, the term environment shall include:
 - Air quality,
 - Visual quality,
 - Surface water quality,
 - Groundwater quality,
 - Wetlands, flood plains, streambed meander limits, recharge areas, and riparian areas,
 - Terrestrial and aquatic animal life,
 - Terrestrial and aquatic plant life, and
 - Soils and geologic conditions.
21. The Proposed Project does not cause a nuisance and, if a nuisance has been determined to be created by the Proposed Project, the nuisance has been mitigated to the satisfaction of the County.
22. The Proposed Project does not significantly degrade areas of paleontological, historical, or archaeological importance.
23. The Proposed Project does not result in unreasonable risk of releases of hazardous materials. In making this determination as to such risk, the Board's consideration shall include:
 - Plans for compliance with Federal and State handling, storage, disposal and transportation requirements,
 - Use of waste minimization techniques, and

- Adequacy of spill prevention and counter measures, and emergency response plans.
24. The benefits accruing to the County and its citizens from the proposed activity outweigh the losses of any resources within the County, or the losses of opportunities to develop such resources.
 25. The Proposed Project is the best alternative available based on consideration of need, existing technology, cost, impact and these Regulations.
 26. The Proposed Project shall not unduly degrade the quality or quantity of agricultural activities.
 27. The proposed Project does not negatively affect transportation in the area.
 28. All reasonable alternatives to the Proposed Project, including use of existing rights-of-way and joint use of rights-of-way wherever uses are compatible, have been adequately assessed and the Proposed Project is compatible with and represents the best interests of the people of the County and represents a fair and reasonable utilization of resources in the Impact Area.
 29. The nature and location of the Proposed Project or expansion will not unduly interfere with existing easements, rights-of-way, other utilities, canals, mineral claims or roads.
 30. Adequate electric, gas, telephone, water, sewage and other utilities exist or shall be developed to service the site.
 31. The proposed project will not have a significantly adverse Net Effect on the capacities or functioning of streams, lakes and reservoirs in the impact area, nor on the permeability, volume, recharge capability and depth of aquifers in the impact area.
 32. The purpose and need for the Proposed Project are to meet the needs of an increasing population within the County, the area and community development plans and population trends demonstrate clearly a need for such development.
 33. The Proposed Project is compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the immediate area, not detrimental to the future development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area.

Staff Recommendation: Approval with 33 Findings of Fact & 2 conditions

Recommended Condition of Approval

Recommended Conditions:

1. The applicant shall continue to work with Adams County staff to finalize and execute a Development Agreement prior to the March 3, 2014 Board of County Commissioners hearing on this application.
2. Once finalized and executed, the applicant shall comply with all terms and conditions of the Development Agreement between White Cliffs Pipeline, LLC and Adams County.

CITIZEN COMMENTS

An e-mail was received from Julie Clayburg, 98001 East 96th Avenue wrote an e-mail stating she was opposed to a 2nd pipeline since the risk of breakage would double. There were also concerns with groundwater and their well being impacted.

Staff Response: The proposed pipe would not cross Mrs. Clayburg's property.

John Metli called indicating he owns two properties (015550000009 & 015550000010) within the Alternate 2 route and has no problems with the pipeline going through his parcels.

COUNTY AGENCIES

ADAMS COUNTY BUILDING SAFETY DIVISION:

None

ADAMS COUNTY CODE COMPLIANCE DIVISION:

No violations were reported.

ADAMS COUNTY PARKS DEPARTMENT:

Parks stated they do not have any comments.

ADAMS COUNTY SHERIFF'S OFFICE:

No comments received.

ADAMS COUNTY TRANSPORTATION DEPARTMENT:

Regional Drainage

Flood Insurance Rate Maps – FIRM Panels 08001C0500H, 08001C0525H, 08001C0550H, 08001C0575H, 08001C0825H, 08001C0850H & 08001C0875H, Federal Emergency Management Agency, March 5, 2007.

According to the above references, the project (preferred alignment, alternative 1, & alternative 2) are located within the Bijou Creek and Muddy Creek designated flood hazard zones. A floodplain use permit shall be required.

Right-of-Way

- A. To protect the County's interest of the development of future roadway/ right of ways, we will require the following statement to be included in the Development Agreement:

Exhibit “C”, attached hereto and made a part hereof, provides a list of parcels where Developer’s permanent easement overlaps future Adams County right-of-way as designated in the Transportation Plan. As development of the Transportation Plan is implemented and if the location and existence of Developer’s permanent easement precludes such development, Developer will subordinate any necessary overlapping easement rights (subject to the then-existing rights of the parties, laws and regulations) to accommodate Adams County’s development.

- B. The developer shall acquire said list from the Transportation Department prior to execution of the Development Agreement.

Construction

- A. The applicant will need to coordinate with Adams County Transportation to obtain the necessary permits prior to construction for work within the public right-of-way and floodplains.
- B. In the event that Adams County performs a roadway or drainage project that requires adjustment or relocation of the pipe line within the right-of-way, the Transportation Department requests that the applicant be required to perform any adjustments or relocations at their own expense upon receiving notification from the County as a condition of this case.

REFERRAL AGENCY COMMENTS

Responding without concerns:

None

Responding with concerns:

Colorado Department of Health

CDPHE states an APEN may be needed.

Staff Response: The applicant has obtained the APEN.

Colorado Historical Society

In a letter dated October 9, 2013 the Colorado Historical Society provided a letter they wrote to the Army Corps of Engineers requesting the Corps do a more detailed analysis.

Staff response: A cultural resource investigation was conducted as part of the due diligence planning for the pipeline. The results of that study were given to the ASACE who has agreed with the findings. In addition, the development agreement states the applicant will comply with Section 106 of the National Historic Preservation Act of 1966 and comply with the Colorado Historical, Paleontological, and Archeological Resources Act of 1973.

Tri-County Health Department

Tri-County Health submitted a letter with guidelines on Sanitary and solid waste disposal, groundwater discharge, and protection of above ground valves.

Staff response: The applicant has stated they will comply with the requirements of Tri-County. The development agreement has a line stating the applicant will comply with the letter.

Xcel Energy

Xcel Energy states any crossings, designations of open space, proposed landscaping, or similar activities involving their existing right-of-way will require approval. A License Agreement shall be executed prior to allowing any impacts to Xcel Energy's right-of-way.

Staff response: The applicant has obtained a License Agreement.

Failure to Respond / Considered a Favorable Response:

Byers Fire Protection District

Byers School District

Central Colorado Water Conservancy District

Colorado Division of Wildlife

Colorado Oil & Gas commission

Comcast

CDOT

Deer Trail Fire Department

Deer Trail School District

Deer Trail Soil Conservation District

Eastern Electric Companies

FEMA

IREA

Kit Carson County

Metro Wastewater

Morgan County

Qwest Communications & eastern telephone companies

RTD

Urban Drainage & Flood Control

US Army Corp of Engineers

US EPA

US Fish & Wildlife

Utility Notification Center

Washington County

Weld County

Wiggins School District



MEMORANDUM

To: Board of County Commissioners
From: Christopher C. La Rue, Senior Planner
Subject: White Cliffs Twin Pipeline / Case #RCU2013-00027
Date: February 13, 2014

If the Planning Commission does not concur with the staff recommendation of Approval, the following findings may be adopted as part of a decision of Denial:

ALTERNATIVE RECOMMENDED FINDINGS

1. The conditional use is not permitted in the applicable zone district.
2. The conditional use is not consistent with the purposes of these standards and regulations.
3. The conditional use will not comply with the requirements of these standards and regulations including, but not limited to, all applicable performance standards.
4. The conditional use is not compatible with the surrounding area, harmonious with the character of the neighborhood, detrimental to the immediate area, detrimental to the future development of the area, and detrimental to the health, safety, or welfare of the inhabitants of the area and the County.
5. The conditional use permit has not addressed all off-site impacts.
6. The site is not suitable for the conditional use including adequate usable space, adequate access, and absence of environmental constraints.
7. The site plan for the proposed conditional use will not provide the most convenient and functional use of the lot including the parking scheme, traffic circulation, open space, fencing, screening, landscaping, signage, and lighting.
8. Sewer, water, storm water drainage, fire protection, police protection, and roads are not available and are not adequate to serve the needs of the conditional use as designed and proposed.

- Soils and geologic conditions.
21. The Proposed Project causes a nuisance and, if a nuisance has been determined to be created by the Proposed Project, the nuisance has been mitigated to the satisfaction of the County.
 22. The Proposed Project significantly degrades areas of paleontological, historical, or archaeological importance.
 23. The Proposed Project results in unreasonable risk of releases of hazardous materials. In making this determination as to such risk, the Board's consideration shall include:
 - Plans for compliance with Federal and State handling, storage, disposal and transportation requirements,
 - Use of waste minimization techniques, and
 - Adequacy of spill prevention and counter measures, and emergency response plans.
 24. The benefits accruing to the County and its citizens from the proposed activity do not outweigh the losses of any resources within the County, or the losses of opportunities to develop such resources.
 25. The Proposed Project is not the best alternative available based on consideration of need, existing technology, cost, impact and these Regulations.
 26. 18. The Proposed Project unduly degrades the quality or quantity of agricultural activities.
 27. The proposed Project negatively affects transportation in the area.
 28. All reasonable alternatives to the Proposed Project, including use of existing rights-of-way and joint use of rights-of-way wherever uses are compatible, have not been adequately assessed and the Proposed Project is not compatible with and does not represent the best interests of the people of the County and does not represent a fair and reasonable utilization of resources in the Impact Area.
 29. The nature and location of the Proposed Project or expansion will unduly interfere with existing easements, rights-of-way, other utilities, canals, mineral claims or roads.
 30. Adequate electric, gas, telephone, water, sewage and other utilities do not exist or shall not be developed to service the site.
 31. The proposed project will have a significantly adverse Net Effect on the capacities or functioning of streams, lakes and reservoirs in the impact area, or on the permeability, volume, recharge capability and depth of aquifers in the impact area.

32. The purpose and need for the Proposed Project are not to meet the needs of an increasing population within the County, the area and community development plans and population trends do not demonstrate clearly a need for such development.
33. The Proposed Project is not compatible with the surrounding area, not harmonious with the character of the neighborhood, detrimental to the immediate area, detrimental to the future development of the area, and detrimental to the health, safety, or welfare of the inhabitants of the area.

CERTIFICATE OF POSTING



I, Christopher C. La Rue do hereby certify that I posted the property at

Various parcels

on February 24, 2014

in accordance with the requirements of the Adams County Zoning Regulations

Christopher C. La Rue

Christopher C. La Rue

CERTIFICATE OF POSTING



I, Christopher C. La Rue do hereby certify that I posted the property at

Various parcels

on January 29, 2014

in accordance with the requirements of the Adams County Zoning Regulations

Christopher C. LaRue

Christopher C. La Rue

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“**Agreement**”) is made and entered into by and between the COUNTY OF ADAMS, a political subdivision of the State of Colorado, hereinafter called “**County**,” and WHITE CLIFFS PIPELINE, LLC, 3030 Northwest Expressway, Suite 1100, Oklahoma City, OK, 73112, hereinafter called “**Developer**”.

WITNESSETH:

WHEREAS, Developer desires to construct approximately 23 miles of underground steel pipelines and appurtenances in Adams County (as more particularly described in that certain Conditional Use Permit Application dated August 22, 2013 with supplemental information submitted on October 23, 2013) to transport crude oil (“**the Project**”); and

WHEREAS, the Project will provide transportation of crude oil; increase efficiency of delivering products to market; and, reduce impacts to local roads by reducing truck traffic in furtherance of the goals of the Adams County Comprehensive Plan; and

WHEREAS, on August 22, 2013 with supplemental information submitted on October 23, 2013, Developer submitted an application for a Conditional Use Permit (“**CUP**”) to Adams County in accordance with the requirements outlined in Chapter 2 of the Adams County Development Standards and Regulations (“**the Regulations**”) the Conditional Use Permit Checklist, and requested submittal criteria from the Adams County Areas and Activities of State Interest (“**AASI**”) Checklist; and

WHEREAS, Developer has acquired all necessary right-of-way easements and temporary construction easements to utilize certain real property in the County of Adams, State of Colorado, as described in Exhibit "A" attached hereto, and by this reference made a part hereof (the “**Easements**”); and

WHEREAS, the County has designated its future road expansion plans in the Adams County Transportation Plan adopted November 2012 (“**Transportation Plan**”); and

WHEREAS, it is provided by Sections 1-02-01-02-08 and 1-08 of the Regulations of the Board of County Commissioners, County of Adams, that where designated, the Developer shall have entered into a written agreement with the County addressing Developer’s and the County’s obligations with regard to the Project as a condition of approval for the CUP.

WHEREAS, the County and the Developer have planned and designed the Project so it will not prohibit future development, and so that it will not add cost to the County’s future infrastructure plans to support development.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto promise, covenant, and agree as follows:

I. DEVELOPER’S OBLIGATIONS:

1. Pre-Construction Activities. Prior to site disturbance and commencing construction in the County, Developer shall:

- A. Obtain approved construction plans from the Adams County Transportation Department.
- B. Submit a Stormwater Management Plan (SWMPP) to the County, as part of the Erosion and Sediment Control Plan to address water quality issues associated with construction activities.
- C. Prepare a Traffic Control Plan for the portion of the project within Unincorporated Adams County and obtain approval of the Plan by the County. The Traffic Control Plan shall detail any impacts to the right-of-way during the construction of the Project including but not limited to lane closures, access to construction staging sites, hours of operation, etc. The traffic control plan shall be prepared in a way to minimize impacts to adjacent property owners during the construction period. The Developer must obtain written approval of the Traffic Control Plan from Adams County Transportation Department prior to commencement of construction. The Developer shall be responsible to implement any necessary corrections to the traffic control plan.
- D. Submit the Facilities Response Plan to the County.
- E. Secure all applicable local, state and federal permits for the Project and submit copies of these permits to the County.
- F. Submit copies of all executed Easements for the Project to the County.

2. Construction Activities. During construction, the Developer shall:

- A. Construct the project in accordance with the approved construction plans. The Developer shall submit a certification letter from a Professional Engineer within 45 days of construction completion certifying that the Project was constructed in accordance with the approved plans.
- B. Manage stormwater in accordance with a SWMPP (Storm Water Management Prevention Plan) prepared under the Colorado Department of Public Health and Environment (“CDPHE”) Colorado Discharge Permitting System (“CDPS”) Permit and in accordance with the Clean Water Act National Pollution Discharge Elimination System (“NPDES”) regulations and Adams County's Grading Erosion and Sediment Control standards. Stormwater Best Management Practices will be implemented for the construction phase to capture and treat all onsite stormwater runoff, in accordance with the requirements for the SWMPP.
- C. Hours of operation shall be from dawn to dusk during construction, Monday through Saturday, except during hydrostatic testing, horizontal directional drilling (HDD), and emergency situations that would cause the Developer to be out of compliance with any applicable local, state, or federal permit. The Adams County Director of Planning and Development may extend the hours and days of operation if there has been demonstration of a sufficient need.
- D. Implement the approved Traffic Control Plan.

- E.
- F. Comply with the guidelines suggested by Colorado Parks and Wildlife to ensure there is no effect to any species of concern as referenced within the application materials of Developer's CUP Application.
- G. Comply with guidelines of Section 106 of the National Historic Preservation Act of 1966 in locations that have been identified as federally regulated within Adams County. Comply with state of Colorado Historical, Paleontological, and Archeological Resources Act of 1973 (CRS 24-80-401 to 410) on all identified state lands within Adams County. All best management practices and avoidance measures proposed within the submitted CUP on lands that are state and federally regulated by the above listed laws will be enforced.
- H. Comply with the recommendations of the Tri-County Health Department letter dated December 12, 2013.
- I. Comply with the terms of the Project's Air Pollution Emissions Notice (APEN) issued by CDPHE.
- J. All hauling/construction trucks shall cover their loads pursuant to C.R.S. 42-4-1407.
- K. The Developer will be responsible for the cleanliness and safety of all roadways adjacent to the Project in the event that there are any issues related to the Project during construction. If at any time, these roadways are found to be dangerous or not passable due to debris or mud caused by Project activities, the County shall require Developer to cease Project operations immediately and clear the roadway of any and all debris or mud. The Project shall not resume until the County, in its sole discretion deems the roadway conditions acceptable. If the Developer fails to keep the adjacent roadways clean and free from debris, the Transportation Department has the option to do the required clean up and bill the charges directly to the Developer.

The Developer shall be responsible for repairing County infrastructure that is damaged as a result of the construction from the Project. Repairs shall occur as soon as possible, but no later than six (6) months following construction completion, unless an extension is granted by the County for extenuating circumstances. The Developer may submit evidence of the condition of the County's right-of-way at the start and completion of construction in order to discern the pre-construction condition and the post-construction condition of the roadways.
- L. All fluid spills such as hydraulic oil from maintenance of equipment shall be removed and disposed of at a facility permitted for such disposal.
- M. All complaints received by the Developer concerning off-site impacts and the resolution of those complaints, shall be conveyed to the Department of Planning and Development. Off-site impacts shall be responded to and resolved immediately by the Developer. Adams County will be the final arbitrator regarding the resolution of noise complaints or any other off-site impacts.

Excessive complaints that are not resolved to the satisfaction of the County may be justification for a Show Cause Hearing before the Adams County Board of County Commissioners.

- N. All construction vehicles shall have a backup alarm which shall comply with OSHA requirements, 29 CFR 1926.601(b)(4) and 1926.602(a)(9) and/or other remedies (such as flagmen) to minimize noise as approved by the County.
- O. If fuel will be stored on the subject properties or within the County's right-of-way, the following guidelines shall be implemented: All fuel storage at this site shall be provided with secondary containment, which complies with state law and any appropriate regulatory standards; fueling areas shall be separated from the rest of the site's surface area, and protected from storm water; and Developer shall provide a spill prevention plan and release prevention plan for fuel storage and fueling operations. Spill and drip containment pans shall be emptied frequently and all spills shall be cleaned up and disposed of immediately at a facility permitted for such disposal.
- P. Developer shall notify the County prior to commencing any snow removal operations within the County's right-of-way. The Developer shall be responsible for any damages to the right-of-way caused by these activities and shall repair damages at their expense within 60 days of receiving notice from the County.
- Q. Developer shall comply with all applicable local, state and federal requirements during the course of the Project.
- R. Failure to comply with the requirements set forth in this agreement may be justification for a show cause hearing where the CUP Permit may be revoked.

3. Design Requirements.

- A. The Project will be designed to meet or exceed the minimum Federal Safety Standards contained in 49 CFR 195 and national engineering design codes for pipelines set forth by the American Society of Mechanical Engineers.
- B. Pipeline burial depths will meet or exceed federal, state, and applicable engineering standards. The pipelines will be buried with a minimum of 36 -inches of cover where practical and in locations where such burial depth is not achievable, additional mechanical protection will be provided, such as increased pipe wall thickness, due to strategic locations such as road crossings, as approved by the County and referenced within this Agreement.

The location of the White Cliffs Twin Pipeline is very rural and County transportation and drainage projects are not anticipated in this area. If a project occurs in the area of the approved pipeline alignment, the Developer agrees to avoid any regional drainage improvements, to the extent possible. The County agrees to make all reasonable attempts to avoid the pipeline during the design and construction of future drainage facilities. In the event that a future regional drainage improvement project requires the relocation of the pipeline, the

Developer agrees to relocate the pipeline at its sole expense. Adams County shall give 30 calendar days written notice if it determines that the pipeline needs to be re-located.

4. Operational Requirements.

- A. The Project will be operated to Federal Safety Standards contained in 49 CFR 195, as well as the Developer's operating standards and practices and maintenance procedures as referenced within the Developer's CUP application materials submitted to the County for the Project.
 - B. The steel pipelines will have a corrosion prevention system as detailed within the Developer's CUP application materials submitted to the County for the Project.
5. The Project will have a multi-faceted integrity management program, as required under federal pipeline safety standards (49 CFR 195 and ASME B31.4). The Project will be operated in accordance with all applicable local, state and federal codes, laws and regulations, including but not limited to the Colorado Department of Transportation ("CDOT") and the Colorado Department of Public Health and Environment ("CDPHE"), Post-Construction and Maintenance Requirements.
- A. Developer agrees to restore any disturbed County-owned lands in compliance with the requirements of applicable easement agreements, as soon as possible, but no later than December 31, 2014. In the event that reseeded is unsuccessful in the first growing season, the Developer agrees to comply with the terms of the easement agreements to restore the land during the subsequent growing season. The County may grant an extension for good cause, in writing, in the event of unforeseen circumstances.
 - B. Developer agrees to restore any disturbed private property in accordance with the applicable easement agreements, as soon as possible, but no later than December 31, 2014. In the event that reseeded is unsuccessful in the first growing season, the Developer agrees to comply with the terms of the easement agreements to restore the land during the subsequent growing season. The County may grant an extension for good cause, in writing, in the event of unforeseen circumstances.
 - C. Construction plans submitted by the Developer to the County for the Project show the pipeline located completely outside of the future right-of-way as depicted in the Adams County 2012 Transportation Plan. In the event that the pipeline is not constructed in accordance with the construction plans approved by the County and there becomes a conflict with a future roadway expansion project, as such project is contemplated under the Transportation Plan, the Developer agrees to relocate the pipeline at its own expense.
 - D. The Developer also agrees that the approval of encroachment agreement requests for parking lots and driveways on private property shall not be unreasonably or

arbitrarily withheld, in accordance with the terms of the easement agreements for the Project.

- E. Developer agrees that it shall not disrupt or damage the functionality of any existing drainage facilities.
- F. Developer agrees to submit “as built” construction drawings to the Adams County Assessor’s Office within 120 days of construction completion in accordance with the procedures established by the County.
- G. Developer agrees to submit emergency contact information, emergency response plans, and final maps of the Project, including all associated valves and pipeline components, to the local fire districts along the Project and to the Adams County Office of Emergency Management before commencing operation of the pipeline. The Developer shall comply with all other requests for information from the Adams County Office of Emergency Management in accordance with local, state, and federal law.
- H. Maintenance of the Project will follow guidelines set forth in the Developer’s operations and maintenance procedures (referenced in Section 4.C of this Agreement), which meet or exceed regulatory requirements. Maintenance activities associated with the line and permanent easement include, but are not limited to, the following:
 - Implementation of a damage prevention program including observation of any construction activities by others on or near the permanent easement;
 - Implementation of a public education program;
 - Installation and maintenance of pipeline markers;
 - Inspection and maintenance of corrosion control systems;
 - Inspection of block valves;
 - Inspection of crossings by other pipelines, highways, utilities;
 - Inspection and maintenance of safety, control, mechanical, and electrical equipment;
 - Maintenance of communication equipment; and
 - Calibration of all instruments to comply with USDOT regulations.

6. Development Impact Fees. There are no development fees associated with this Project.

7. Encroachment Upon Future Right of Way.

In any segment of the Project that is parallel to an Adams County right-of-way, the pipeline shall be constructed a minimum of five (5) feet from the edge of the maximum future right-of-way width, as designated in the Adams County 2012 Transportation Plan.

As development of the Transportation Plan is implemented and if the location and existence of Developer's permanent easement precludes such development, Developer will subordinate any necessary overlapping easement rights (subject to the then-existing rights of the parties, laws and regulations) to accommodate Adams County's development.

8. Acceptance and Maintenance of Public Improvements. Developer is not required to make any public improvements or make any public dedications in connection with the Project.
9. Guarantee of Compliance. Developer hereby agrees that should it fail to comply with the terms of this Agreement, then the Board of County Commissioners of the County of Adams, State of Colorado, shall be entitled to obtain from the Colorado State District Court for the Seventeenth Judicial District a mandatory injunction requiring said Developer to comply with the terms of this Agreement. Prior to the County seeking such an injunction, Developer shall be provided the opportunity to cure any default in accordance with the terms set forth herein.
10. Financial Security. The County has determined that there is no need for a guarantee of financial security with regard to this Project.
11. Successors and Assigns. This Agreement shall be binding upon the heirs, executors, personal representatives, successors, and assigns of the Developer, and shall be deemed a covenant running with the real property described in Exhibit "A" attached hereto.

II. COUNTY'S OBLIGATIONS:

The County shall have no obligations associated with this Agreement.

III. GENERAL PROVISIONS:

1. No Third Party Beneficiaries. This Agreement is intended to describe and determine such rights and responsibilities only as between the parties hereto. It is not intended to and shall not be deemed to confer rights or responsibilities to any person or entities not named hereto.
2. Notices. Any and all notices, demands or other communications desired or required to be given under any provision of this Agreement shall be given in writing and delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid or by email addressed as follows:

To Developer:

White Cliffs Pipeline, LLC
Attention: Land and Right-of-way Department
3030 Northwest Expressway, Suite 1100
Oklahoma City, OK 73112

To Adams County:

Director, Department of Planning and Development
4430 South Adams County Parkway, 1st Floor, Suite W2000A
Brighton, CO 80601
Email: amontoya@adcogov.org

With a copy to:

Adams County Attorney
4430 South Adams County Parkway
Brighton, CO 80601

3. Amendments.

Should any changes to the Conditional Use Permit be proposed before, during or after completion of the Project, the Developer shall submit the details of those changes to the Adams County Planning & Development Director for a determination as to whether those changes constitute a Major or Minor Amendment in accordance with the Regulations.

This Agreement may be modified, amended, changed or terminated in whole or in part by an agreement in writing duly authorized and executed by the parties hereto with the same formality, and subject to the same statutory and regulatory requirement, as this Agreement.

4. Controlling Law. This Agreement and its application shall be construed in accordance with the laws of the State of Colorado.

5. Default. If either party is in default under this Agreement, the non-defaulting party shall provide written notice of said default to the defaulting party to the address provided in Section 2 immediately above. The defaulting party shall have 30 days to cure the default, unless an extension is granted in writing by the non-defaulting party for good cause. The non-defaulting party may seek all remedies available pursuant to the Agreement and under the law.

6. Costs and Fees. In the event of any litigation, arbitration or other dispute resolution process arising out of this Agreement, the parties agree that each will pay its own costs and fees.

WHITE CLIFFS PIPELINE, LLC (Developer)

By: _____

The foregoing instrument was acknowledged before me this _____ day of _____,

2013, by _____ as Agent and Attorney-In-Fact
of WHITE CLIFFS PIPELINE, LLC .

My commission expires: _____

Address: _____
_____ Notary Public

APPROVED BY resolution at the meeting of _____, 2013.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
ADAMS COUNTY, COLORADO

Clerk to the Board

Eva Henry, Chair

STATE OF COLORADO

John W. Hickenlooper, Governor
Larry Wolk, MD, MSPH
Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S. Laboratory Services Division
Denver, Colorado 80246-1530 8100 Lowry Blvd.
Phone (303) 692-2000 Denver, Colorado 80230-6928
Located in Glendale, Colorado (303) 692-3090
www.colorado.gov/cdphe



Colorado Department
of Public Health
and Environment



December 5, 2013

Chris LaRue
Case Manager
Adams County Colorado
Planning & Development Department
4430 S. Adams County Parkway
1st Floor, Suite W2000A
Brighton, CO 80601-8216

RE: White Cliffs Twin Pipelines

Dear Mr. LaRue:

On November 15, 2013, the Colorado Air Pollution Control Division (APCD) received a request for an air quality determination concerning White Cliffs Twin Pipelines. APCD staff has reviewed the request and has determined that the following provisions of the Colorado Air Quality Regulations apply to the project.

All sources of potential construction project air emissions in Colorado are required to obtain a construction permit unless specifically exempt from the provisions of Regulation No. 3. Go to the website www.colorado.gov/cdphe/APCD to view this regulation - click on Air Quality Regulations, then Regulation No 3. Section II.D.1 lists which projects are exempt from requirements of the regulation. In addition, you will need to establish whether you are in an air quality attainment or non-attainment area, by accessing the information at www.colorado.gov/cs/Satellite/CDPHE-AP/CBON/1251595265316.

Once it has been determined that an **Air Pollution Emissions Notice (APEN)** is required, the next phase of air permitting involves submission of an **Application for Construction Permit** for each facility and one **APEN** for each emission source. A source can be an individual emission point or group of similar emission points (see Regulation No. 3, Part A). Both APEN reporting and permit requirements are triggered by uncontrolled actual emission rates. Uncontrolled actual emissions are calculated based upon the requested production/operating rate assuming no control equipment is used. In general, an APEN is required for an emission point with uncontrolled actual emissions of any critical pollutant equal to or greater than the quantities listed below:

AREA	UNCONTROLLED ACTUAL EMISSIONS
Attainment Area	2 tons per year
Non-attainment Area	1 ton per year
All Areas	Lead emissions: 100 pounds per year

Sources of non-criteria reportable pollutants have different reporting levels depending upon the pollutant, release point height and distance to the property line. Please see **Regulation No. 3 Appendix A and C** to determine the appropriate reporting level for each pollutant, and for a list of **non-criteria reportable air pollutants**.

However, none of the exemptions from an APEN filing requirement shall apply if a source would otherwise be subject to any specific federal or state applicable requirement. Information concerning submittal of revised APEN is also given in Regulation No. 3, Part A. An APEN is valid for five years. The five year period recommences when a revised APEN is received by the Division.

If you have any questions regarding your reporting or permitting obligations, please contact the Small Business Assistance Program at 303-692-3148 or 3175.

Land development construction activities (earth moving) that are greater than **25 acres** or more than **six months in duration** will require an APEN from the Air Division and may be required to obtain an air permit. In addition, a start-up notice must be submitted thirty days prior to beginning a land development project.

Please refer to the website www.colorado.gov/cdphe/APCD for information on APEN forms. Click on Construction Permit and Compliance Forms, then click on the menu item that applies to your project.

If you have any questions or need additional information, please call the phone number(s) listed above, or you may call/ e-mail me directly at 303-692-3127 / jim.dileo@state.co.us.

Thank you for contacting the Division about requirements for your project or permit.

Sincerely,



James A. DiLeo
 NEPA Coordinator
 Air Pollution Control Division
 Colorado Department of Public Health and Environment

Cozad, Julie

Subject: FW: White Cliffs Pipeline GP03

From: Brickey - CDPHE, Jonathan [<mailto:jonathan.brickey@state.co.us>]

Sent: Wednesday, January 22, 2014 11:54 AM

To: vern.choquette@southwestgeoscience.com

Subject: White Cliffs Pipeline GP03

Vern,

I've reviewed the general permit application for the White Cliffs Pipeline land development project. The project does meet the requirements of the general permit, and under section IV.B.1 of the permit itself (attached), the source is cleared to commence development as soon as the full application is received. In this case, that means the work can commence as of 12/17/2013. If you have any questions, you can contact me at 303-691-4093.

Thanks,

Jonathan Brickey
Permit Engineer
Air Pollution Control Division
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530
303-691-4093 (office) | 303-782-0278 (fax) | jonathan.brickey@state.co.us

<generalpermGP03.pdf>

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SemGroup, SemMaterials Mexico, White Cliffs Pipeline, SemCrude, SemGas, and SemStream are registered trademarks of SemGroup Corporation.

Southwest GEOSCIENCE

307 East Danforth Road

Suite 1600

Edmond, OK 73034

Ph: (405) 844-1480

Fax: (405) 844-2235

December 16, 2013

Colorado Department of Public Health & Environment
ATTN: Chris Laplante; APCD (Oil and Gas Team)
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

*Re: White Cliffs Pipeline, L.L.C. General Permit 03 Land
Development APEN*

Dear Chris:

Attached is the Land Development APEN (and fee) for the White Cliffs Pipeline, L.L.C. pipeline. This also serves as the 30-day prior notice.

If you have any questions regarding this submittal, please contact Lance King at (405) 945-6325 or me at (405) 844-1480.

Sincerely,

Southwest
GEOSCIENCE



Vern Choquette
Director, Permitting & Compliance

cc: Lance King, White Cliffs Pipeline, L.L.C.

Attachments

**-Land Development-
Air Pollutant Emission Notice (APEN) – and – Application for Construction Permit**

New Facility Transfer of Ownership * Change in Production No Change (APEN Update Only)
 Request Coverage Under General Permit (For GP coverage, pages 2-3 are not required)**

All sections of this APEN and application must be completed prior to submittal to the Division for both new and existing facilities. An application with missing information may be determined incomplete and may result in longer engineer processing times.

* Note: For transfer of ownership or company name change of a permit, you must also submit a Construction Permit Application form.

** Note: For General Permit coverage, only page 1 of this application needs to be completed. In addition to the APEN filing fee (\$152.90), a General Permit fee of \$50.00 will be assessed.

Permit Number _____ AIRS Number _____

Company Name: White Cliffs Pipeline, L.L.C.
Billing Address: 3030 NW Expressway, Suite 1100 Zip Code: 73112
Oklahoma City, OK
Person to Contact: Lance King Phone Number: (405) 945-6325
Email Address: lking@semgroupcorp.com Fax Number: (405) 945-6425

Please provide description of the activity: (Also, please provide a site map)
White Cliffs Pipeline is constructing a liquids pipeline from Weld County, Colorado (near Platteville) to Cushing, Oklahoma for the transport of natural gas condensate and crude oil. Refer to attached maps for more detail.

Project Name & Location: White Cliffs Pipeline

County: Weld Section: 24 Township: 3N Range: 65W

Total area of land in project: 950 Acres
Date earthmoving will – Commence: 12/16/2013 Stop: 12/16/2014
Total area subject to earthmoving: 950 Acres
Total disturbed area at any one time: 80 Acres
Area to be paved (roads, parking lots): N/A Acres
Date paving will be completed: N/A
Estimated time to complete entire project (includes buildings) 12 months

List any known or suspected contaminants in the soil:
None





Brief description of how the project development will occur e.g., timeline, project phases (attach an additional page if necessary):
Pipeline route is staked and erosion control measures are put in place. Earthmoving (if necessary) occurs prior to trenching. Trench is opened for 3-5 miles, pipeline is laid in the trench and trench is closed. Disturbed are is then stabilized and seeded. Project is expected to finish in less than 12 months.

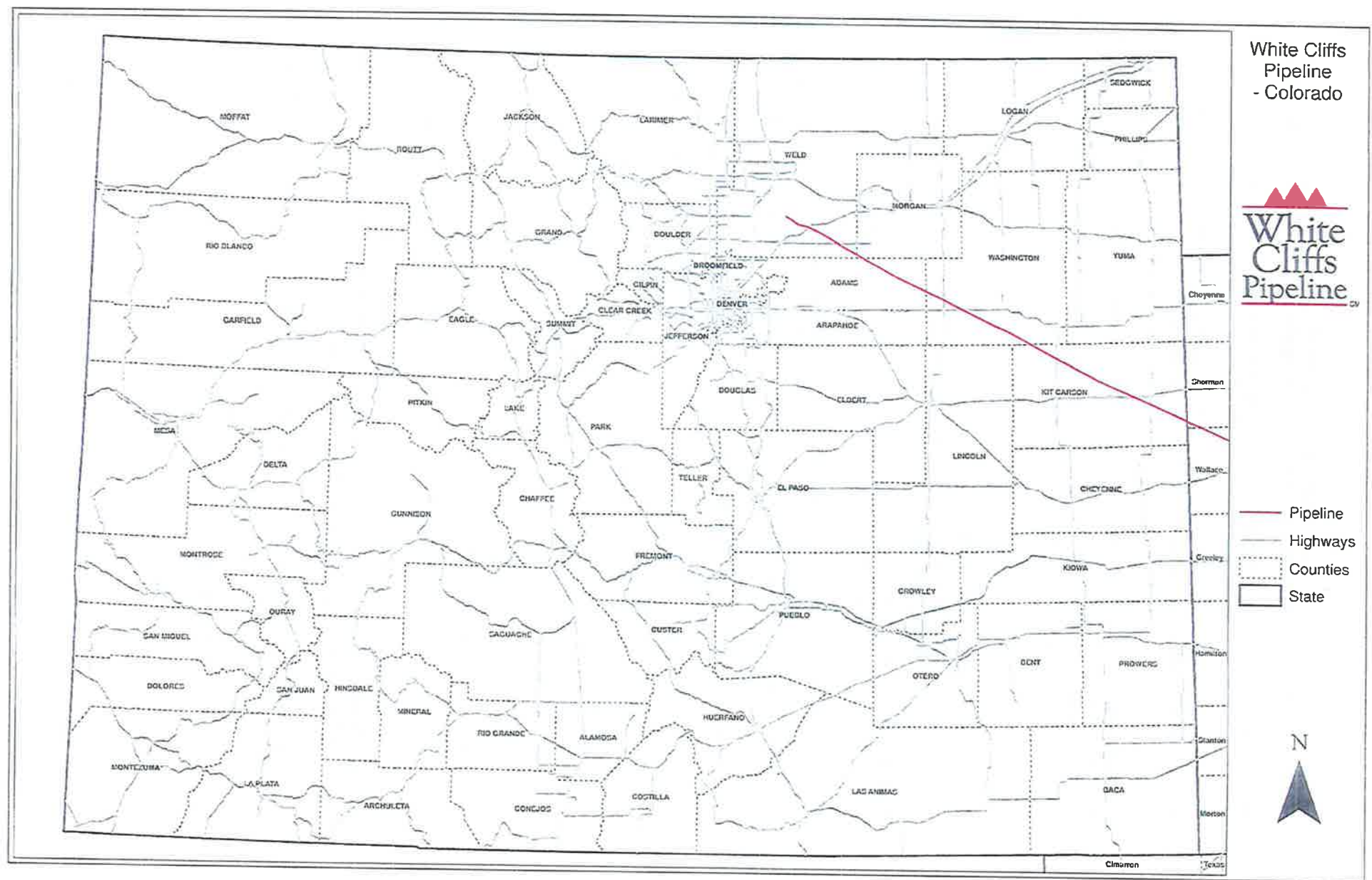
-- An authorized signature is required on Page 1 if you are applying for General Permit Coverage; otherwise, a signature is required on Page 3 --

Peter L. Schwiering December 16, 2013
Signature of Legally Authorized Person (not a vendor or consultant) Date
Peter L. Schwiering President
Name (please print) Title

White Cliffs Pipeline
- Colorado



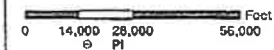
-  Pipeline
-  Highways
-  Counties
-  State





WHITE CLIFFS PIPELINE, LLC
PRELIMINARY ALIGNMENT

ADAMS COUNTY, COLORADO
JANUARY 29, 2008



- Preliminary Alignment
- Turnpike, Interstate
- Highway
- Minor Roads
- Townships
- ADAMS
- Sections
- Railroads
- Waterways
- Waterbodies

PIPELINE SPECIFICATIONS:

1. Outside Diameter of Pipe: 12.75"
2. Specification and Grade: 5LX52 / Steel
3. Wall Thickness: 0.252" & 0.281" at Crossings
4. Actual Working Pressure: 0-1480 psig
5. Mfg. Test Pressure: 0-1850 psig
6. Type of Joint: Weld Joint
7. Coating: Fusion Bond Epoxy
8. Bore Diameter: 15"
9. Improved Roads: Will Be Bored,
Unimproved Roads Will Be Cut
10. Trench Cutting Top Width: 48"
11. Trench Cutting Bottom Width: 23"
12. Cover Depth at Top of Pipe: 36"
13. Depth at Bottom of Pipe: 48"
14. Cover Depth at Top of Pipe
at Road Crossings: 48"

LAVERN CHOQUETTE
ROUYE CHOQUETTE
PH. (405) 218-8501
2509 GLEN HOLLOW
EDMOND, OK 73034

2961
86-225/1030

12-16-2013
Date

Pay to the Order of CDPME - APCD \$ 202 ⁹⁰/₁₀₀
Two Hundred Two and 90/100 Dollars



Lavern D. Choquette
For _____

⑆ 103002251⑆ ⑆ 510502⑆ 0296⑆

0813N001

STATE OF COLORADO)
 COUNTY OF ADAMS)

At a regular meeting of the Board of County Commissioners for Adams County, Colorado, held at the Administration Building in Brighton, Colorado on the 23rd day of July, 2008 there were present:

Alice J. Nichol _____ Chairman
 Larry W. Pace _____ Commissioner
 W.R. Fischer _____ Commissioner
 Hal B. Warren _____ County Attorney
 Kristen Hood, Deputy _____ Clerk of the Board

when the following proceedings, among others were held and done, to-wit:

ZONING HEARING DECISION - CASE #RCU2008-00009
SEMCRUDE/WHITE CLIFFS CRUDE OIL PIPELINE

WHEREAS, on the 23rd day of July, 2008, the Board of County Commissioners, held a public hearing on the application of Sem Crude/White Cliffs, Case #RCU2008-00009; and,

WHEREAS, this case involved an application for: Conditional Use Permit to allow approximately 23 miles (525 miles total) of a 12 inch underground crude oil pipeline from 168th Ave. & Peoria Crossing to E. 72nd Ave. & Meridian Rd. on the following described property:

LEGAL DESCRIPTION:

Parcel Number	Section	Township	Range	Legal Description
015-570-000-0144	04	01S	60W	NW/4 Except the East 62.8 feet thereof
015-570-000-0141	05	01S	60W	A Parcel of Land more particularly described
015-570-510-0001				as Commencing at the NE/c of Section 5;
				thence South 89 degrees 58 minutes 05 s
				along the North line, a distance
				thence South 02 degrees 30 m
				seconds East, a distance of 30 fe
1557-04-100-002	04	01S	60W	NE/4 and the East 62.8 feet
				except a tract of land in
015-570-000-0145	04	01S	60W	SE/4; Less & except that part
				which lies East of County Road
				and Except a Parcel as described
				in BK 4971 PG 843 which lies
				in the S/2 SE/4
015-570-000-0017	04	01S	60W	Part of E/2 SE/4 lying and being
				Road
015-570-000-0109	03	01S	60W	S/2 NW/4 and SW/4 and NW/4
				SE/4
015-570-000-0111	03	01S	60W	SW/4 SE/4
1557-00-000-038	10	01S	60W	NE/4 and S/2 NW/4; Less &
				except County Road
015-571-120-0001	11	01S	60W	W/2 NW/4 and the South 53 2/3
				acres of the E/2 015-571-120-0002
				NW/4
015-570-000-0045	11	01S	60W	NE/4
015 571 120 0001	11	01S	60W	SE/4

015-570-000-0131	12	01S	60W	S/2
015-570-000-0051	13	01S	60W	Entire Section
015-550-000-0050	18	01S	59W	W/2
1555-00-000-049	18	01S	59W	E/2
1555-00-000-048	17	01S	59W	Entire Section
1555-00-000-055	20	01S	59W	Entire Section
1555-00-000-054	20	01S	59W	Entire Section
015-552-110-0001	21	01S	59W	N/2 and S/2 Less a parcel
located in S/2				
015-552-140-0001	21	01S	59W	A Parcel of land described as beginning at the SE/c of said Section 21; thence North 01 degrees 53' 19" East along the east line of the S/2, a distance of 30.04 feet; thence South 88 degrees 54' 30" West parallel with the South Line, a distance of 30.04 f
015-550-000-0069	28	01S	59W	N/2
015-552-720-0001	27	01S	59W	W/2 W/2 and W/2 W/2 E/2 W/2
015-552-720-0002	27	01S	59W	W/2 W/2 and W/2 W/2 E/2 W/2
051-552-720-0003	27	01S	59W	W/2 W/2 and W/2 W/2 E/2 W/2
015-552-730-0001	27	01S	59W	W/2 W/2 and W/2 W/2 E/2 W/2
015-552-730-0002	27	01S	59W	W/2 W/2 and W/2 W/2 E/2 W/2
015-550-000-0114	27	01S	59W	E/2 and E/2 E/2 W/2 and E/2
W/2 E/2 W/2				
015-550-000-0067	26	01S	59W	SW/4 and W/2 SE/4
015-550-000-0082	35	01S	59W	Entire Section
015-550-000-0083	36	01S	59W	Entire Section
015-530-000-0073	31	01S	58W	S/2
017-390-000-0012	06	02S	58W	E/2
017-390-000-0009	05	02S	58W	SE/4 and SW/4 NE/4 and NW/4
017-390-000-0007	04	02S	58W	W/2
017-390-000-0019	09	02S	58W	Entire Section, less a one acre tract in the NE/c
				NE/4 for school
017-390-000-0021	10	02S	58W	NW/4
017-390-000-0022	10	02S	58W	SW/4
017-390-000-0023	10	02S	58W	E/2
017-390-000-0025	11	02S	58W	S/2
017-391-420-0002	14	02S	58W	NW/4
017-391-410-0004	14	02S	58W	NW/4 NE/4
017-391-410-0001	14	02S	58W	NE/4 NE/4
017-391-410-0003	14	02S	58W	S/2 NE/4
017-391-310-0001	13	02S	58W	S/2 and N/2 Except NW/4
NW/4				
017-410-000-0049	18	02S	57W	S/2
017-410-000-0050	19	02S	57W	N/2
017-410-000-0054	20	02S	57W	W/2
017-410-000-0057	20	02S	57W	NE/4 and N/2 SE/4
017-410-000-0116	20	02S	57W	SE/4 SE/4
017-410-000-0064	21	02S	57W	N/2 SE/4 and SW/4 SE/4 and S/2 SW/4
017-410-000-0120	28	02S	57W	N/2 Except the SE/4 NE/4
017-410-000-0121	28	02S	57W	SE/4 NE/4

017-412-730-0001	27	02S	57W	S/2
017-410-000-0076	26	02S	57W	N/2 and S/2
017-410-000-0112	35	02S	57W	N/2
017-410-000-0114	36	02S	57W	N/2 and S/2

APPROXIMATE LOCATION: 16775 Peoria Crossing Road

WHEREAS, substantial testimony was presented by members of the public and the applicant; and,

WHEREAS, the Adams County Planning Commission held a public hearing on the 26th day of June, 2008, and forwarded a recommendation of APPROVAL to the Board of County Commissioners.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners, County of Adams, State of Colorado, that based upon the evidence presented at the hearing and the recommendations of the Department of Planning and Development and the Planning Commission, the application in this case be hereby **APPROVED** based upon the following findings of fact and subject to the fulfillment of the following conditions precedent and conditions by the applicant:

Findings of Fact:

1. The conditional use is permitted in the applicable zone district.
2. The conditional use is consistent with the purposes of these standards and regulations.
3. The conditional use will comply with the requirements of these standards and regulations, including but not limited to, all applicable performance standards.
4. The conditional use is compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the immediate area, not detrimental to the future development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area and the County.
5. The conditional use permit has addressed all off-site impacts.
6. The site is suitable for the proposed conditional use including adequate usable space, adequate access, and absence of environmental constraints.
7. The site plan for the proposed conditional use will provide the most convenient and functional use of the lot including the parking scheme, traffic circulation, open space, fencing, screening, landscaping, signage, and lighting.
8. Sewer, water, storm water drainage, fire protection, police protection, and roads are to be available and adequate to serve the needs of the conditional use as designed and proposed.

Condition Precedent:

1. The pipeline will be crossing designated floodplains. A floodplain use permit shall be required.

Conditions:

1. If the alignment of the pipeline changes, then new roadway crossing permits shall be required.
2. A copy of the Stormwater Management Plan (SWMP) was submitted with the application, and given a cursory review. The applicant shall be responsible for implementing revisions to the SWMP as required by the Adams County Public Works Department. In addition, a copy

be provided to the Adams County Department of Public Works prior to completion of the pipeline in unincorporated Adams County.

- 3. The applicant shall be responsible for meeting all of the requirements of Xcel Energy as stated in their letter dated May 30, 2008.

Notes to the Applicant:

- 1. All applicable building, zoning, engineering, fire, and health codes shall be adhered to with this request.
- 2. All applicable federal, state, and local codes shall be adhered to with this request.
- 3. The applicant shall endeavor to adhere to the guidelines of the Colorado Division of Wildlife as stated in their letter dated June 2, 2008.

Upon motion duly made and seconded the foregoing resolution was adopted by the following vote:

Nichol _____ Aye
Pace _____ Aye
Fischer _____ Aye
Commissioners

STATE OF COLORADO)
County of Adams)

I, Karen Long, County Clerk and ex-officio Clerk of the Board of County Commissioners in and for the County and State aforesaid do hereby certify that the annexed and foregoing Order is truly copied from the Records of the Proceedings of the Board of County Commissioners for said Adams County, now in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County, at Brighton, Colorado this 23rd day of July, A.D. 2008.

County Clerk and ex-officio Clerk of the Board of County Commissioners
Karen Long:



By:



Deputy

White Cliffs Twin Pipeline Project

Conditional Use Permit

Revised Executive Summary

Project Description

In April 2008, White Cliffs Pipeline, L.L.C. (SemCrude, L.P. at the time) submitted a Conditional Use Permit (CUP) application for a 12” crude oil pipeline which crosses the northeastern corner of Adams County for approximately 23 miles. The CUP was unanimously approved by the Adams County Planning Commission and Board of County Commissioners and there was no opposition at the hearings from any of the landowners or surrounding property owners. The existing pipeline was constructed in 2008. All easements for the pipeline were obtained from private property owners and the State of Colorado prior to the submittal of the CUP and prior to construction of the pipeline for the original permit.

Due to the increase in oil and gas production, primarily in Weld County, and due to the Suncor Refinery in Commerce City being at capacity, there is a need to transport crude oil through an additional 12” crude oil pipeline. The preferred pipeline route is designed to be located parallel and approximately 15’ from the existing pipeline.

As with the previous pipeline, the new pipeline will be a total of 527 miles in length, beginning at the Rose Rock Truck Unloading Facility, located east of Platteville, Colorado and will traverse Colorado, Kansas and Oklahoma, in a fairly straight line, on into Cushing, Oklahoma where the line terminates. The previous Adams County Planning Director, Rob Coney, determined the permitting process for the existing pipeline since the Adams County Code did not specifically call out a process for a crude oil pipeline. In a preliminary discussion with Chris LaRue, Adams County Planner, it was determined that a new CUP or amendment to the existing CUP would be required for the new pipeline.

The impacts of the second pipeline are limited, since it is planned to run within the same easement as the existing pipeline through Adams County. Additional permanent and construction easements have already been acquired on all of the properties within Adams County, with the exception of properties owned by the State of Colorado. The State of Colorado is providing a Work Release and will provide an easement. The State’s process only allows the signing of easements twice per year and they will sign the final documents in October 2013, although they have already agreed to the easement. The majority of the landowners in Adams County, where the new pipeline will be located, are generally the same as they were for the previous pipeline. Some of the landowners originally agreed to two pipelines and others wanted to re-negotiate with White Cliffs once the second pipeline was ready to be constructed. As stated above, all landowners have agreed to and executed easement agreements. These recorded easement agreements are included in our application.

Recently, the Planning Department required White Cliffs Pipeline to analyze two additional alignments as a part of our application submittal. Our application and maps include basic information regarding two alternative alignments, including a desktop environmental, cultural and archeological review. Additional, more in-depth information was submitted in the form of an Environmental Assessment, on October 23, 2013.

Discussion of Alternative Alignments 1 and 2

White Cliffs Pipeline is submitting information for two additional alignments through Adams County. Alternative Alignment 1 starts in Adams County at the same location as the Preferred Alignment and Alternative Alignment 2, but is shown going south of the preferred alignment. It also exits Adams County in the same location as the Preferred Alignment and Alternative Alignment 2. Alignment 2 is shown going north of the Preferred Alignment. The locations of the pipeline going into and out of Adams County are fixed

Both Alignment 1 and Alignment 2 are options that are feasible, but are longer routes through the County and impact significantly more land owners. Easements along these routes have not been acquired because White Cliffs has already acquired easements and paid fair market value for all of the easements on the preferred alignment to the property owners.

Alignments 1 and 2 cross more streams and creeks than the preferred route and there are additional roadway crossings through Adams County. An Environment Assessment and Report was submitted with our Supplemental information on October 23rd and addresses Threatened and Endangered Species, Historical and Cultural impacts on both Alignment 1 and Alignment 2.

With the original application, the Planning Director at that time, Rob Coney, waived the requirement for analyzing two additional alternatives because the easements had already been acquired (see additional information in the Correspondence Section of this permit application). The situation regarding existing easements being in place is exactly the same with this application as it was with the previous permit. White Cliffs Pipeline relied on the waiver provided by the County for the first pipeline and the reason behind the waiver when they made the decision to begin planning for the additional parallel pipeline by acquiring additional easements, doing the engineering design, and obtaining other Federal and State permits for construction of the second pipeline.

It is our understanding that Floodplain Permits and County Road Crossing Permits are required in Adams County. Floodplain Permit applications have already been submitted to Public Works for the Bijou Creek and Muddy Creek. A list of other required Federal and State permits is provided with this application in the Appendix.

The existing and new 12" crude oil pipelines are permitted and regulated by the Federal Energy Regulatory Commission (FERC) and the Department of Transportation (DOT) for construction, operations and safety.

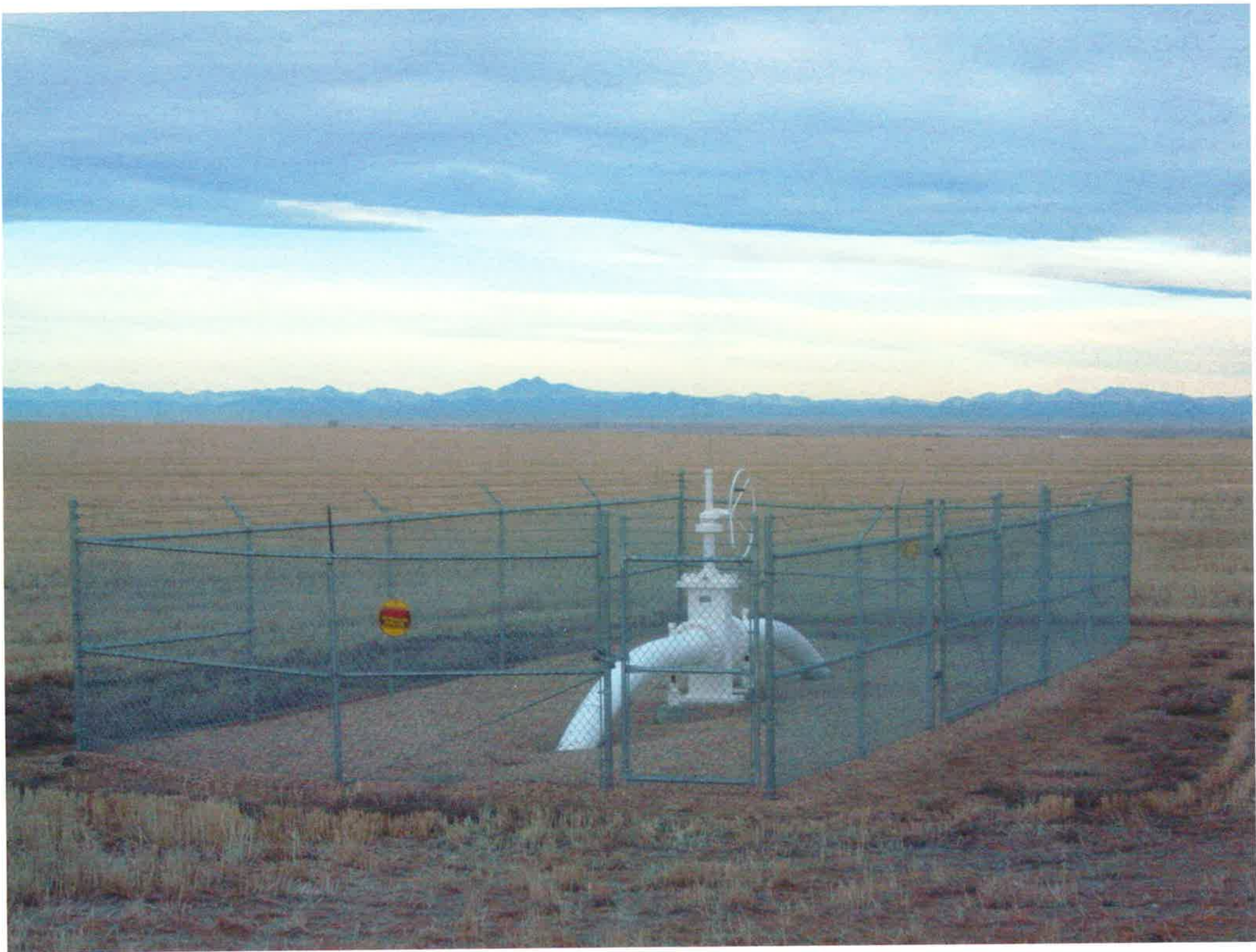
Actual limits of disturbance within the construction right-of-way will vary by location and will be dependent on site-specific conditions.

White Cliffs Pipeline, LLC and SemGroup Company Profile

White Cliffs Pipeline, LLC is a subsidiary company of SemGroup Corporation. The following company information is on the home page of their website:

“SemGroup® Corporation is a publicly held company that moves energy safely through a network of pipelines, terminals and storage tanks. SemGroup provides gathering, transportation, processing, storage, distribution, marketing and other midstream services primarily to independent oil and natural gas producers, refiners of petroleum products and other market participants located in the Mid-Continent and Rocky Mountain regions of the United States and in Canada, Mexico and the United Kingdom.

With the common root word “sem,” meaning one, SemGroup operates as a family of companies through its subsidiaries. SemGroup owns 100% of Rose Rock Midstream G.P., LLC along with its incentive distribution rights and has a majority interest in Rose Rock Midstream L.P. SemGroup also holds a significant amount of equity in NGL Energy Partners. All of the SemGroup divisions are committed to a “zero incident” culture, with employees working to keep the public, and each other, safe.”



Licensee: **White Cliffs Pipeline LLC**
Investigation #: **2008-110**
Line No. **Pawnee – Smokey Hill (214)**
Plat No. **1179-2.33**

File With Document #: **92403**
Agent: **Bauer**
Engineer: **Braasch**
Section **20** Twp **1s** Rge **59W**
County: **Adams**

LICENSE AGREEMENT

This LICENSE AGREEMENT ("License") is made this 15th day of July 2008 by and between **PUBLIC SERVICE COMPANY OF COLORADO**, a Colorado Corporation hereinafter called "Licensor," and **WHITE CLIFFS PIPELINE L.L.C.** hereinafter called "Licensee."

RECITALS

A. Licensor is the owner of an **easement or right-of-way** for utility facilities (the "Premises"), and desires to protect the facilities located thereon and preserve the future use of said easement or right-of-way, which is more particularly described as follows:

The East 225 feet of Section 20, Township 1 South, Range 59 West of the 6th Principal Meridian, County of Adams, State of Colorado, Subject to existing County Road Rights-of-Way and as described in the attached Exhibit "A".

B. Licensee desires a 50' wide easement to construct a 12" crude-oil pipeline ("licensed facility") in, under, or along portions of the Premises as more particularly shown on Exhibit A, attached hereto and made a part hereof, and desires to obtain Licensor's permission therefore.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensor hereby grants to Licensee, with respect to such interest as Licensor may have in the Premises, the authorization to construct, operate, maintain, repair, inspect, remove, and replace the licensed facility in, on, under, or along the Premises, subject to the following:

(1) Licensor is the owner of a limited interest in the Premises. Licensee shall bear the sole obligation of obtaining from the fee title owner of the Premises or others owning proprietary interest in the Premises, such authority or rights as Licensee may need in addition to this license for Licensee's use of the Premises. Licensee agrees that any authorization granted herein is subject to Licensee obtaining such additional authorization.

(2) Licensor intends to use the Premises for the construction, operation, maintenance, repair, replacement, and relocation of its utility facilities, and the rights herein granted to Licensee for the use of the Premises are subject to the rights of Licensor to use the Premises for such purposes, which rights Licensor hereby expressly reserves.

(3) Licensee shall contact the Utility Notification Center of Colorado (1-800-922-1987) for location of any underground utilities, at least two working days prior to the commencement of construction on the Premises. Further, if Licensor has constructed electric transmission facilities on the Premises, Licensee shall contact Licensor's Electric Transmission Lines department at (303) 273-4669 at least four working days prior to the commencement of construction on the Premises. At the discretion of Licensor's Electric Transmission Lines department, construction activities on the Premises shall be performed only when

Licensors representative is present. The instructions of such representative relating to the protection of Licensor's facilities will be followed by Licensee, and will be considered conditions of this authorization.

(4) Licensee shall not do or permit to be done any blasting above, underneath, or near facilities on the Premises without first having received prior written permission from Licensor. Any blasting shall be done in the presence of a representative of Licensor and in accordance with directions such representative may give for the protection or safety of facilities in the area.

(5) Any damage to the Premises, or to Licensor's facilities located on the Premises, as a result of the construction, operation, maintenance, repair, inspection, removal, replacement, or relocation of the licensed facility shall be paid for or repaired at the expense of Licensee.

(6) Licensee agrees and understands that if Licensor has constructed natural gas gathering, storage, transmission, distribution, or related facilities on the Premises, Licensee has been fully advised by Licensor that such natural gas facilities may now transport and may continue to transport natural gas at significant pressures. Licensee shall advise all of its employees, agents, contractors, and other persons who enter upon the Premises, pursuant to the provisions of this license, of the existence and nature of such natural gas facilities and the danger and risk involved.

(7) Licensee agrees and understands that the natural gas facilities of Licensor, if located on the Premises, may be subject to cathodic protection by rectifier and related anode beds, and that Licensor shall not be liable for stray current or interfering signals induced in the licensed facility as a result of the operating of Licensor's cathodic protection system.

(8) Licensee agrees and understands that if Licensor has constructed electric transmission, distribution, or related facilities on the Premises, Licensee has been fully advised by Licensor that such electric facilities may now transmit and may continue to transmit electric current at significant voltages, and that the conductors on electric lines may not be insulated. Licensee shall advise all of its employees, agents, contractors, and other persons who enter upon the Premises, pursuant to the provisions of this license, of the existence and nature of such electric facilities and the potential danger and risk involved.

(9) (a) (i) As used in this license, the term "Claims" means (1) losses, liabilities, and expenses of any sort, including attorneys' fees; (2) fines and penalties; (3) environmental costs, including, but not limited to, investigation, removal, remedial, and restoration costs, and consultant and other fees and expenses; and (4) any and all other costs or expenses.

(ii) As used in this license, the term "Injury" means (1) death, personal injury, or property damage; (2) loss of profits or other economic injury; (3) disease or actual or threatened health effect; and (4) any consequential or other damages.

(b) To the extent permitted by law, Licensee covenants and agrees to at all times protect, indemnify, hold harmless, and defend Licensor, its directors, officers, agents, employees, successors, assigns, parents, subsidiaries, and affiliates from and against any and all Claims arising from, alleged to arise from, or related to any Injury allegedly or actually occurring, imposed as a result of, arising from, or related to (1) this license; (2) the construction, existence, maintenance, operation, repair, inspection, removal, replacement, or relocation of the electric transmission or distribution; natural gas gathering, storage, transmission, or distribution; or any other utility facilities located on the Premises; or (3) Licensee's or any other person's presence at the Premises as a result of or related to this license.

(c) Licensee's duty to protect, indemnify, hold harmless, and defend hereunder shall apply to any and all Claims and Injury, including, but not limited to:

(i) Claims asserted by any person or entity, including, but not limited to, employees of Licensee or its contractors, subcontractors, or their employees;

(ii) Claims arising from, or alleged to be arising in any way from, the existence at or near the Premises of (1) electric power generation, transmission, distribution, or related

facilities; (2) electricity or electromagnetic fields; (3) natural gas gathering, storage, transmission, distribution, or related facilities; or

(iii) Claims arising from, or alleged to be arising in any way from, the acts or omissions of Licensee, its sublessees, invitees, agents, or employees.

(d) By agreeing to indemnification hereunder, Licensee does not waive any provisions of the Colorado Governmental Immunity Act.

(10) A copy of this license shall be on the Premises and available during construction of the licensed facility.

(11) This license is not transferable or assignable without the express written permission of Licensor.

(12) Upon abandonment of the use of the Premises by Licensee or removal of the licensed facilities, this license shall terminate.

(13) This license shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

(14) This license may be executed in two original counterparts, each of which shall be deemed an original of this instrument.

(15) Additional Provisions:

CONSIDERATION

Beginning on the Commencement Date, Licensee shall pay to Licensor a flat fee in the sum of \$1000.00. The initial payment of the License Agreement shall be made on or before the Commencement Date. The Commencement Date is the date of complete execution of this Agreement.

IN WITNESS WHEREOF, this instrument has been executed the day and year first above written.

PUBLIC SERVICE COMPANY OF COLORADO

By: 

Pete West

Managing Director Local Affairs, Xcel Energy Services, Inc.
Agent for Public Service Company of Colorado

Agreed to and accepted by Licensee this 7th day of July 2008.

WHITE CLIFFS PIPELINE L.L.C.

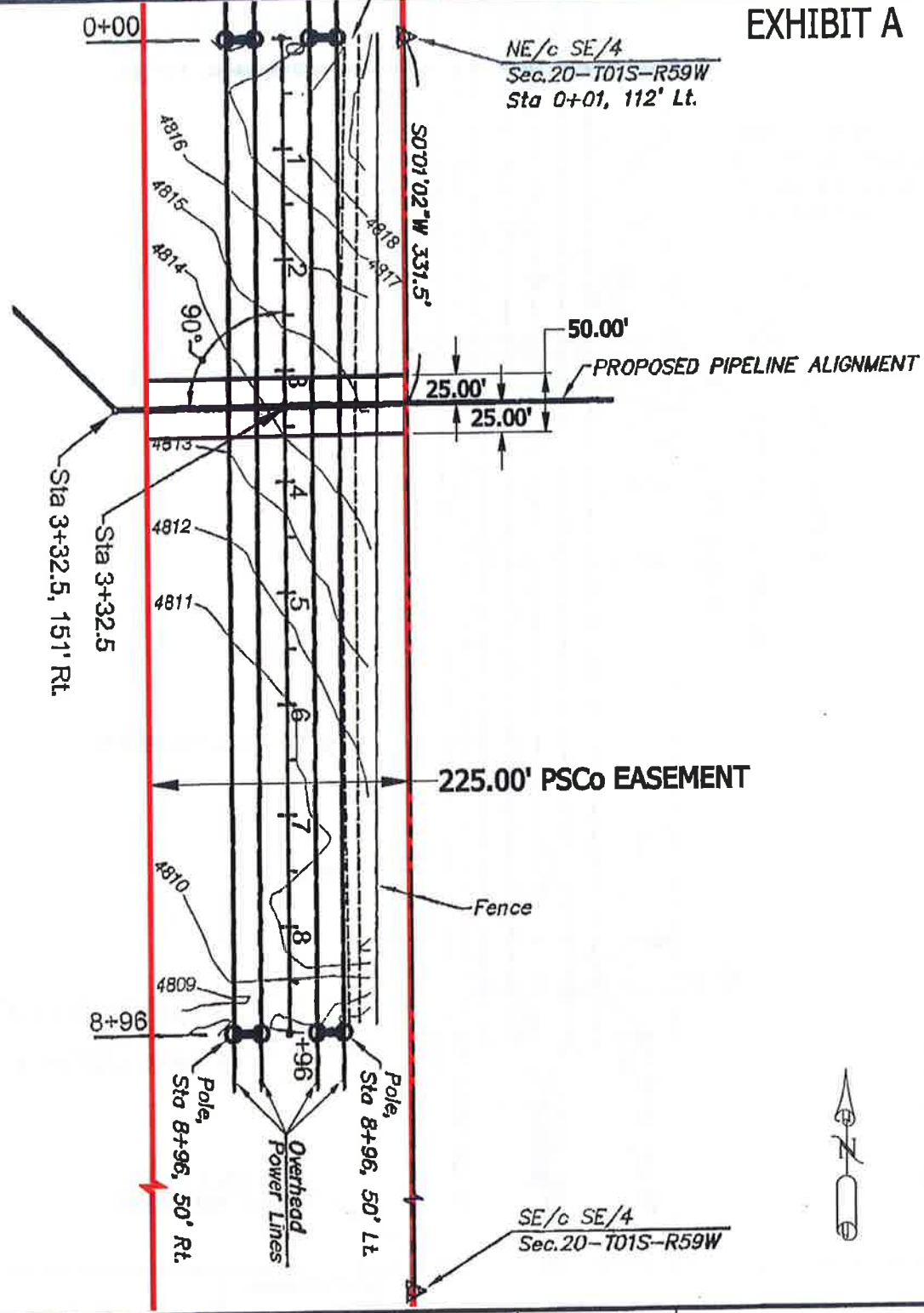
By: 

Peter L. Schwiering
President

11501 South 1-44 Service Road
Oklahoma City, OK 73173

405-692-5100

EXHIBIT A



DWG: 2008-110KB_LICENSE.dwg


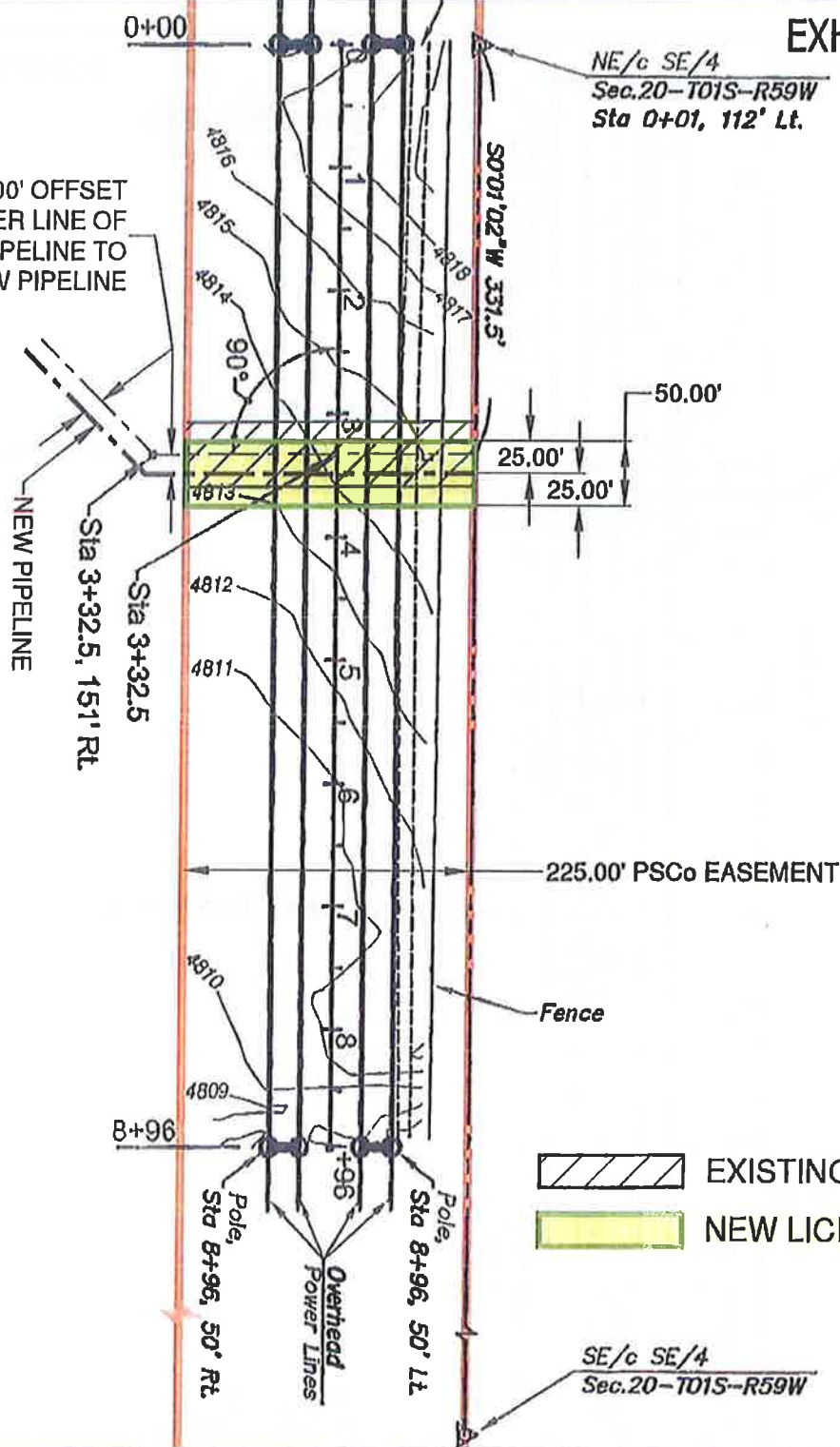
LICENSEE: WHITE CLIFFS PIPELINE, L.L.C		INVESTIGATION NO.: 2008-110	 Xcel Energy <small>PUBLIC SERVICE COMPANY</small>
SE1/4 OF SECTION 20 6TH PRINCIPAL MERIDIAN PLAT NO.: 2214-2-61	TOWNSHIP: 1 SOUTH ADAMS COUNTY, COLORADO DOCUMENT NO.: 92403	SCALE: 1"=125' DRAWN BY: CB/csh DATE: 06-25-08	
		LINE:	SMOKY HILL-PAWNEE 230KV

EXHIBIT A


15.00' OFFSET FROM CENTER LINE OF EXISTING PIPELINE TO NEW PIPELINE



 EXISTING LICENSE
 NEW LICENSE



DWG:12013-283HS_LICENSE.dwg

LICENSEE: WHITE CLIFFS PIPELINE, L.L.C		INVESTIGATION NO.: 2013-283	
SE1/4 OF SECTION 20	TOWNSHIP: 1 SOUTH	RANGE: 59 WEST	SCALE: 1"=125'
6TH PRINCIPAL MERIDIAN	ADAMS	COUNTY, COLORADO	DRAWN BY: CB/cah
PLAT NO.: 2214-2.61	DOCUMENT NO.: 92403	AGENT: H. SWINHART	DATE: 12-16-13
			LINE: SMOKY HILL-PAWNEE 230KV



December 10, 2013

Chris LaRue
Adams County Planning and Development Department
4430 South Adams County Parkway
Brighton, CO 80601-8216

RE: White Cliffs Twin Pipeline-Conditional Use Permit, RCU2013-00027
TCHD Case No. 3024

Dear Mr. LaRue:

Thank you for the opportunity to review and comment on the White Cliffs Twin Pipeline, for the proposed 23-mile pipeline to transport crude oil, located in northeastern Adams County. Tri-County Health Department (TCHD) staff has reviewed the application for compliance with applicable environmental and public health regulations and has the following comments.

Sanitary and Solid Waste Disposal

The information provided with the referral does not discuss the provision of temporary sanitary facilities for pipeline workers. We anticipate that trash dumpsters and portable toilets will be necessary during construction. TCHD recommends that the applicant address these, in terms of numbers, locations, and vendor.

Groundwater Discharge

Each of the three alternative routes for the pipeline has multiple water crossings. TCHD anticipates that groundwater will be encountered at many of those crossings. If discharge of groundwater is necessary during construction, a discharge permit from the Colorado Department of Public Health and Environment (CDPHE), Water Quality Control Division will be necessary.

Protection of Above-Ground Valves

The applicant does not indicate whether above-ground valves will be constructed; however, based on our review of similar pipeline projects, we anticipate that they will be constructed. Above-ground valves may be damaged or vandalized once they are installed and placed into use. If above-ground valves will be part of the pipeline project in Adams County, TCHD recommends that the applicant provide protection and security for the valves. Protection and security may include, but not be limited to fencing with locked gates, bollards, or both.

Please feel free to contact me at (720) 200-1568 or email at wbrown@tchd.org if you have any questions on TCHD's comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Warren S. Brown".

Warren S. Brown, P.E.
Public Health Engineer

CC: Sheila Lynch, Monte Deatrich, TCHD



October 9, 2013

Kiel Downing
Chief, Denver Regulatory Office
U.S. Army Corps of Engineers
Omaha District
9307 South Wadsworth Boulevard
Littleton, Colorado 80128-6901

Re: Requested State Historic Preservation Office (SHPO) review and concurrence of report entitled "A Class II Cultural Resources Investigation of a Segment of the White Cliffs II Pipeline Project in Weld, Morgan, Adams, Washington, and Kit Carson Counties, Colorado (CHS #64813)

Dear Mr. Downing:

We received correspondence and associated documentation for the above referenced project from Ann M. Scott, Director of Cultural Resources at ACI Consulting, on October 3, 2013 – original correspondence is attached. This project, described as the construction and operation of a 526-mile long, twelve-inch diameter crude oil pipeline extending from Platteville, Colorado to Cushing, Oklahoma, requires permitting from the U.S. Army Corp of Engineers (Corps) and, as such, is subject to review under Section 106 of the National Historic Preservation Act (Section 106) and its implementing regulations 36 CFR Part 800, as amended. We have reviewed the provided documentation, but are unable to provide concurrence due to additional questions set forth in the following.

In brief, approximately 155-miles of the proposed pipeline is located within Northeastern Colorado and intensive cultural resources inventory was limited to approximately 5.6 linear miles of the proposed pipeline right-of-way. These surveyed areas largely correspond to Corps defined "jurisdictional water crossings." We respectfully disagree with the Corps in the decision to use agency regulations in lieu of those established by Section 106. As clearly defined by the Section 106 regulations, the area of potential effects (APE) is not limited to the waters of the United States and adjacent uplands directly affected by the proposed work, but rather includes "the geographic area or areas within which an undertaking may directly or indirectly cause alterations in the character or use of historic properties, if any such properties exist" [36 CFR 800.16(d)]. It is our opinion that the APE should not only include the entire length of the proposed pipeline but access roads requiring significant upgrades, staging areas, and pumping station locations, et cetera wherein ground disturbing activities will occur.

Likewise, Section 106 regulations specifically define the attributes of those projects falling under its jurisdiction. Pursuant to 36 CFR 800.16(y), undertaking "means a project, activity, or program funded in whole or in part under the direct or indirect jurisdiction of a Federal agency, including those carried out by or on behalf of a Federal agency; those carried out with Federal financial assistance; and those requiring a Federal permit, license or approval."

In addition to the above regulatory definition issues, we are concerned with the limited role currently demonstrated by the Corps in this Section 106 consultation. Under the process established for the protection of historic properties, as required by Section 106, it is the statutory obligation of the Corps to fulfill the requirements of Section 106 and to ensure that an agency official with jurisdiction over an undertaking takes legal and financial responsibility for Section 106 compliance (36 CFR 800.2). The lead agency official remains legally responsible for all required findings and determinations if the services of a consultant have been utilized for the purpose of obtaining recommendations regarding NRHP-eligibility and project effect (36 CFR 800.2(a)(3)) or if an applicant for federal assistance has been

authorized by the lead agency to initiate consultation with the SHPO (36 CFR 800.2(c)(4)). Unless we have been notified in advance, Section 106 correspondence should come directly from an appropriate point of contact at the lead federal agency.

Finally, it is our opinion, that appropriate application of the Section 106 regulations (36 CFR 800.4) requires that the lead federal agency not only "make a reasonable and good faith effort" to identify historic properties (36 CFR 800.16(l)(1)) located within the entire APE, but to assess and mitigate adverse effects to these properties in consultation with our office and other consulting parties.

The Section 106 consultation process does involve other consulting parties such as local governments and Tribes, which as stipulated in 36 CFR 800.3 are required to be notified of the undertaking. Additional information provided by the local government, Tribes or other consulting parties may cause our office to re-evaluate our comments and recommendations. Please note that our compliance letter does not end the 30-day review period provided to other consulting parties.

We look forward to continued consultation with the Corps and other parties, as appropriate, regarding the subject undertaking. If we may be of further assistance, please contact Mark Tobias, Section 106 Compliance Manager, at (303) 866-4674 or mark.tobias@state.co.us.

Sincerely,



fa Edward C. Nichols
State Historic Preservation Officer
ECN/MAT

enclosure /
cc. Ann Scott, ACI Consulting



Right of Way & Permits

1123 West 3rd Avenue
Denver, Colorado 80223
Telephone: 303.571.3306
Facsimile: 303. 571.3660
donna.l.george@xcelenergy.com

December 6, 2013

Adams County
Department of Planning and Development
4430 South Adams County Parkway
1st Floor, Suite W2000A
Brighton, CO 80601-8216

Attn: Chris LaRue

Re: White Cliffs Twin Pipeline, Case # RCU2013-00027

Public Service Company of Colorado (PSCo) has determined **there is a conflict** with the above captioned project. Public Service Company has an existing electric transmission line and associated land rights as shown within this project area. Any activity including grading, proposed landscaping, erosion control or similar activities involving our existing right-of-way will require Public Service Company approval. Encroachments across Public Service Company's easements must be reviewed for safety standards, operational and maintenance clearances, liability issues, and acknowledged with a Public Service Company License Agreement to be executed with the property owner. **PSCo is requesting that, prior to any final approval of the development plan**, it is the responsibility of the property owner/developer/contractor to contact **Mike Diehl, Siting and Land Rights Supervisor at (303) 571-7260 or michael.diehl@xcelenergy.com**, to have this project assigned to a Land Rights Agent for development plan review and execution of a License Agreement.

As a safety precaution, PSCo would like to remind the developer to call the **Utility Notification Center at 1-800-922-1987** to have all utilities located prior to any construction.

Should you have any questions with this referral response, please contact me at 303-571-3306.

Sincerely,

Donna George
Contract Right of Way Referral Processor
Public Service Company of Colorado

Chris LaRue

From: Marc Pedrucci
Sent: Tuesday, November 26, 2013 4:28 PM
To: Chris LaRue
Subject: RE: White Cliffs pipeline mailing lists

Chris,
The Parks Dept. has not done any conservation easements out in this area. There is a possibility that a TDR conservation easement might exist out there, but it would be shown in the UMA layer and you should be able to check that fairly easily on GIS. But short of that, this looks OK to me.

Marc

Have a Happy Thanksgiving! How is your little one doing?

From: Chris LaRue
Sent: Tuesday, November 26, 2013 1:47 PM
To: Marc Pedrucci
Subject: FW: White Cliffs pipeline mailing lists

Marc:

Can you please have a look at this map? It depicts a proposed new crude oil pipe that would parallel an existing line.

The name of the PUD the line or alternative line would touch is called Watkins Estates & Irondale Farms.

Can you look at your records & see if you have any conservation easements that could impact this line or its alternatives?

Thanks, and please call me should you have any questions.

Chris

Christopher C. La Rue | Senior Planner
Adams County Planning and Development Department
4430 South Adams County Parkway | 1st Floor, Suite W2000A | Brighton, CO 80601 720.523.6858
clarue@adcogov.org

From: Charles Osterman
Sent: Thursday, November 14, 2013 2:26 PM
To: Chris LaRue
Subject: RE: White Cliffs pipeline mailing lists

Chris,

Here's the maps. Let me know of any changes you need.

Thanks,
Charles

From: Chris LaRue
Sent: Thursday, November 14, 2013 11:13 AM

Chris LaRue

From: Cozad, Julie [Julie.Cozad@tetrattech.com]
Sent: Thursday, January 23, 2014 4:25 PM
To: Chris LaRue; Kristin Sullivan
Subject: Attachments for Development Agreement
Attachments: CDPHE.pdf; History Colorado.pdf; Tri-County Health dept.pdf; Xcel Energy.pdf

Attached are the referral letters and our responses to be used as attachments to the Development Agreement. Please let me know if you need anything further. Thanks, Julie

Julie A. Cozad | Deputy Operations Manager/Land Planning Manager, Vice President Engineering and Consulting
Direct +1 (720) 864-4564 | Business +1 (303) 772-5282 | Fax +1 (303) 665-6959 | Mobile +1 303-709-3319 |
julie.cozad@tetrattech.com

Tetra Tech | Complex World, Clear Solutions™
1900 S. Sunset St., Longmont, CO 80501 | tetrattech.com



Please consider the environment before printing. [Read More.](#)

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Sanitary and Solid Waste Disposal

The information provided with the referral does not discuss the provision of temporary sanitary facilities for pipeline workers. We anticipate that trash dumpsters and portable toilets will be necessary during construction. TCHD recommends that the applicant address these, in terms of numbers, locations, and vendor.

White Cliffs construction contract requires the construction contractor to provide an adequate number of temporary sanitary facilities for pipeline workers as well as trash dumpsters. The sanitary and solid waste disposal units will coincide with the progression of contractor activities throughout the length of the pipeline right of way. The units will be located at least 50 feet from any storm water inlets and will be staked to avoid topping.

Protection of Above-Ground Valves

The applicant does not indicate whether above-ground valves will be constructed; however, based on our review of similar pipeline projects, we anticipate that they will be constructed. Above-ground valves may be damaged or vandalized once they are installed and placed into use. If above-ground valves will be part of the pipeline project in Adams County, TCHD recommends that the applicant provide protection and security for the valves. Protection and security may include, but not be limited to fencing with locked gates, bollards, or both.

White Cliffs will have one above ground valve. As required by the U.S. Department of Transportation the valve will have protection from unauthorized operation and from vandalism. A photo of a typical above-ground valve has been submitted to the Adams County Planning Department. The valve will have a six foot chain link fence around it for additional security.

Groundwater Discharge

Each of the three alternative routes for the pipeline has multiple water crossings. TCHD anticipates that groundwater will be encountered at many of those crossings. If discharge of groundwater is necessary during construction, a discharge permit from the Colorado Department of Public Health and Environment (CDPHE), Water Quality Control Division will be necessary.

White Cliffs does not anticipate intercepting groundwater at the water crossings in Adams County. To avoid intercepting groundwater, creek crossings will be directionally bored crossings. If groundwater is encountered White Cliffs will obtain the necessary discharge permits.



TETRA TECH

December 10, 2013

Chris La Rue, Senior Planner
Adams County Planning and Development Department
4430 South Adams County Parkway
1st Floor, Suite W2000A
Brighton, CO 80601

Re: Response to Email questions sent on December 2, 2013

Dear Chris:

This letter is in response to your email questions on December 2, 2013. Our responses are in italics following your questions.

1. Why not replace the existing pipeline with a larger one?

The existing pipeline is currently in service, delivering crude oil from the oil fields in Colorado to the United States market. White Cliffs has shipper commitments on the existing pipeline, with specified through-put, to transport and deliver the crude oil, which is specified in existing contracts with suppliers. These commitments are for a specific number of barrels that contractually have to be delivered within a specific timeframe. To replace the existing pipeline with a larger one would require shutting down the existing pipeline and this is not possible due to the contracts in place for the pipeline. Shutting down the pipeline would also have significant economic impacts at the National level and would potentially shut down oil production in the State of Colorado since the current pipeline is one of the main transport pipelines for crude oil. The deconstruction of the pipeline, to rebuild a larger pipeline, is not a feasible alternative for White Cliffs for several additional reasons. It is not reasonable to disturb and demolish an existing, functioning pipeline to build a larger one. To accomplish that would require more disturbance of the land than constructing a second pipeline. The additional right-of-way for the parallel line is approximately 15' in most areas. To demolish the existing pipeline and reconstruct a new, larger pipeline would take a great deal of additional right-of-way and would have more impacts on the properties where the pipeline crosses and the borings under County roads would be more significant. Additionally, the cost to the Company to replace the existing pipeline with a larger one is not economically feasible.

2. Safety record?

-It is indicated there have been no incidents associated with any Semcrude pipeline projects. Is this only relative to this project? Were there incidents with any other pipeline or facilities they are responsible at the national level? If there were incidents at other, locations please provide that information and what changes were instituted.

We wanted to clarify that the SemCrude, L.P. name was changed to Rose Rock Midstream Crude, L.P., effective March 1, 2012. The current company is SemGroup; a detailed description is in the application materials located in the executive summary as follows:



White Cliffs Pipeline, LLC and SemGroup Company Profile

White Cliffs Pipeline, LLC is a subsidiary company of SemGroup Corporation. The following company information is on the home page of their website:

“SemGroup® Corporation is a publicly held company that moves energy safely through a network of pipelines, terminals and storage tanks. SemGroup provides gathering, transportation, processing, storage, distribution, marketing and other midstream services primarily to independent oil and natural gas producers, refiners of petroleum products and other market participants located in the Mid-Continent and Rocky Mountain regions of the United States and in Canada, Mexico and the United Kingdom.

With the common root word “sem,” meaning one, SemGroup operates as a family of companies through its subsidiaries. SemGroup owns 100% of Rose Rock Midstream G.P., LLC along with its incentive distribution rights and has a majority interest in Rose Rock Midstream L.P. SemGroup also holds a significant amount of equity in NGL Energy Partners. All of the SemGroup divisions are committed to a “zero incident” culture, with employees working to keep the public, and each other, safe. Rose Rock Midstream is the operator of the White Cliffs pipeline.

White Cliffs Pipeline

As previously identified, there have been no pipeline operational incidents in Adams County. White Cliffs Pipeline has operated without incident along its entire system length from Colorado to Oklahoma; except for a minor 2010 sump overflow inside the Cushing Station due to a level switch malfunction that was immediately corrected. As ongoing measures, the switch is tested periodically to insure proper operation.

SemGroup, Rose Rock Midstream

In response to questions regarding past incidents, a minimal number have occurred on SemGroup’s (SemCrude/Rose Rock Midstream) older rural gathering systems that were previously unregulated. These assets were obtained by acquisitions of various companies prior to SemGroup’s reorganization and therefore no records prior to 2009 are available. Twenty-three incidents occurred during the period 2009 through 2013 on these gathering pipelines and all were small volume incidents. Twelve incidents are related to typical equipment failures such as pump seals leaking inside the station property. A third party caused one incident and the remaining incidents are attributed to internal corrosion. Gathering pipelines flow at much lower volumes and stratified flow conditions. Thus, these older pipelines are more subject to internal corrosion caused by bacteria. Conversely, White Cliffs I and proposed White Cliffs Twin are Mainlines designed to operate under turbulent, rather than stratified, flow conditions so internal corrosion is not a primary risk.

In order to mitigate internal corrosion for the gathering pipelines SemGroup has implemented a program involving the injection of biocides to kill the bacteria causing the internal corrosion. Because these gathering lines were constructed during the 1940’s and 1950’s they experienced corrosion in the past prior to the invention of the biocides and prior to SemGroup acquiring these systems. The injection program has been in effect for the past 6 years and proven very effective. The internal mitigation and biocide injections are part of a more comprehensive Pipeline Integrity Management Program required by the Code of Federal Regulations (CFR) 195. This



TETRA TECH

program is designed to identify and mitigate risks to regulated pipelines like White Cliffs I and White Cliffs Twin. The Integrity Program has been functioning since 2000 and is inspected periodically by state and federal auditors. As referenced in our previous submittals to Adam's County, SemGroup's program is determined to be in compliance with regulations. The Integrity Regulation requires the inspection of White Cliffs I and Twin using specially designed inspection tools designed to identify corrosion or other damage to the pipeline. These tools are run at maximum of year intervals. White Cliffs I is scheduled to be inspected in 2014. White Cliffs Twin will be inspected in 5 years following the hydrotest performed during construction. The hydrotest is considered the baseline inspection test for the pipeline.

- 3. Provide more information on why the alternative routes are not viable. In Section 4 of Book 3 you really only state how long the alternatives are relative to the preferred route. It is also stated each route would impact more landowners. It is stated there are possible intrusive effects for historical, cultural resource and overall environmental considerations. What are these impacts and how do they compare to the preferred alternative? You need to provide a more detailed individualized summary/analysis for each of the alternatives rather than the very broad and limited statements that were made.**

Section 4 within Book 3 was intended to give a summary of all of the alternatives. The more detailed information that you are requesting is located within the Supplemental Information Notebook (Book 3) under Section 12. The full Environmental Analysis (EA) provided in this section addresses the concerns stated above. The EA thoroughly describes the possible intrusive effects for historical, cultural resource and overall environmental considerations for the preferred and alternative pipeline alignments in detail. We would be happy to meet with you to go over these findings if you would like.

I look forward to meeting with you on December 11, 2013 at 2:00 p.m. I am happy to discuss our overall submittal, the questions above, the Development Agreement or any other questions you may have. We appreciate the opportunity to work with you on this important project.

Sincerely,

TETRA TECH, INC

Julie A. Cozad
Senior Planner

pc: O.C. Simpson, White Cliffs Pipeline
Tommy Green, White Cliffs Pipeline
Allan Dye, White Cliffs Pipeline
Lance King, White Cliffs Pipeline



October 9, 2013

Kiel Downing
Chief, Denver Regulatory Office
U.S. Army Corps of Engineers
Omaha District
9307 South Wadsworth Boulevard
Littleton, Colorado 80128-6901

Re: Requested State Historic Preservation Office (SHPO) review and concurrence of report entitled "A Class II Cultural Resources Investigation of a Segment of the White Cliffs II Pipeline Project in Weld, Morgan, Adams, Washington, and Kit Carson Counties, Colorado (CHS #64813)"

Dear Mr. Downing:

We received correspondence and associated documentation for the above referenced project from Ann M. Scott, Director of Cultural Resources at ACI Consulting, on October 3, 2013 – original correspondence is attached. This project, described as the construction and operation of a 526-mile long, twelve-inch diameter crude oil pipeline extending from Platteville, Colorado to Cushing, Oklahoma, requires permitting from the U.S. Army Corp of Engineers (Corps) and, as such, is subject to review under Section 106 of the National Historic Preservation Act (Section 106) and its implementing regulations 36 CFR Part 800, as amended. We have reviewed the provided documentation, but are unable to provide concurrence due to additional questions set forth in the following.

In brief, approximately 155-miles of the proposed pipeline is located within Northeastern Colorado and intensive cultural resources inventory was limited to approximately 5.6 linear miles of the proposed pipeline right-of-way. These surveyed areas largely correspond to Corps defined "jurisdictional water crossings." We respectfully disagree with the Corps in the decision to use agency regulations in lieu of those established by Section 106. As clearly defined by the Section 106 regulations, the area of potential effects (APE) is not limited to the waters of the United States and adjacent uplands directly affected by the proposed work, but rather includes "the geographic area or areas within which an undertaking may directly or indirectly cause alterations in the character or use of historic properties, if any such properties exist" [36 CFR 800.16(d)]. It is our opinion that the APE should not only include the entire length of the proposed pipeline but access roads requiring significant upgrades, staging areas, and pumping station locations, et cetera wherein ground disturbing activities will occur.

Likewise, Section 106 regulations specifically define the attributes of those projects falling under its jurisdiction. Pursuant to 36 CFR 800.16(y), undertaking "means a project, activity, or program funded in whole or in part under the direct or indirect jurisdiction of a Federal agency, including those carried out by or on behalf of a Federal agency; those carried out with Federal financial assistance; and those requiring a Federal permit, license or approval."

In addition to the above regulatory definition issues, we are concerned with the limited role currently demonstrated by the Corps in this Section 106 consultation. Under the process established for the protection of historic properties, as required by Section 106, it is the statutory obligation of the Corps to fulfill the requirements of Section 106 and to ensure that an agency official with jurisdiction over an undertaking takes legal and financial responsibility for Section 106 compliance (36 CFR 800.2). The lead agency official remains legally responsible for all required findings and determinations if the services of a consultant have been utilized for the purpose of obtaining recommendations regarding NRHP-eligibility and project effect (36 CFR 800.2(a)(3)) or if an applicant for federal assistance has been

authorized by the lead agency to initiate consultation with the SHPO (36 CFR 800.2(c)(4)). Unless we have been notified in advance, Section 106 correspondence should come directly from an appropriate point of contact at the lead federal agency.

Finally, it is our opinion, that appropriate application of the Section 106 regulations (36 CFR 800.4) requires that the lead federal agency not only "make a reasonable and good faith effort" to identify historic properties (36 CFR 800.16(l)(1)) located within the entire APE, but to assess and mitigate adverse effects to these properties in consultation with our office and other consulting parties.

The Section 106 consultation process does involve other consulting parties such as local governments and Tribes, which as stipulated in 36 CFR 800.3 are required to be notified of the undertaking. Additional information provided by the local government, Tribes or other consulting parties may cause our office to re-evaluate our comments and recommendations. Please note that our compliance letter does not end the 30-day review period provided to other consulting parties.

We look forward to continued consultation with the Corps and other parties, as appropriate, regarding the subject undertaking. If we may be of further assistance, please contact Mark Tobias, Section 106 Compliance Manager, at (303) 866-4674 or mark.tobias@state.co.us.

Sincerely,



fa

Edward C. Nichols
State Historic Preservation Officer
ECN/MAT

enclosure /
cc. Ann Scott, ACI Consulting

December 6, 2013

Mr. Christopher C. La Rue
Adams County Planning and Development Department
4430 South Adams County Parkway
1st Floor, Suite W2000A
Brighton, CO 80601

RE: Clarification regarding the October 9, 2013 Colorado State Historic Preservation Office Letter to USACE Omaha regarding the White Cliffs II Pipeline Cultural Resources Investigation

Dear Mr. La Rue,

This letter provides discussion and clarification regarding the October 9, 2013 letter from the Colorado State Historic Preservation Office (SHPO) to U.S. Army Corps of Engineers (USACE) titled "Requested State Historic Preservation Office (SHPO) review and concurrence of report entitled "A Class II Cultural Resources Investigation of a Segment of the White Cliffs II Project in Weld, Morgan, Adams, Washington, and Kit Carson Counties, Colorado (CHS #64813).

Regulatory Background

Colorado archeological sites are protected by two federal laws, Section 106 of the National Historic Preservation Act and the Antiquities Act of 1906. Both of these laws are administered by the State Historic Preservation Office (SHPO).

Section 106 of the National Historic Preservation Act of 1966, as amended, requires federal agencies to take into account the effects of their undertakings on historic properties. Therefore, prior to the issuance or authorization of any permit, a federal agency must consider the effect their proposed action may have on historic properties. As such, all areas within federal jurisdiction for a project require some level of cultural resources inventory to identify historic properties. Historic properties may include prehistoric or historic districts, sites, buildings, structures, objects, sacred sites, and traditional cultural places that are included in, or eligible for inclusion in, the National Register of Historic Places (NRHP).

The Antiquities Act of 1906 makes it unlawful to "appropriate, excavate, injure, or destroy any historic or prehistoric ruin or monument, or any object of antiquity, situated on lands owned or controlled by the government..." As such, all projects on land regulated or owned by a governmental entity require a cultural resources inventory to identify and mitigate for archeological resources.

The authority to require a project to conduct an archeological survey can only come from these federal laws.

Project Background

The proposed White Cliffs II pipeline consists of 155 miles of pipeline in Colorado that will be placed parallel to an existing pipeline in the northeastern part of the state. In order to comply with Section 106 and the Antiquities Act, a cultural resources investigation was conducted as part of the due diligence for the Project. The results of the investigation were submitted to the USACE, a federal agency with limited jurisdiction over the Project, as evidence of compliance under Section 106 of the National Historic Preservation Act. The USACE has reviewed the submittal and has preliminarily agreed with the findings (Attachment 1).

The cultural investigation results report was also submitted to the Colorado SHPO for review as part of the Adams County Conditional Use Permit application process. The October 9th, 2013 letter was remitted to USACE as a result of SHPO review. In the letter the SHPO has asked the USACE to expand their jurisdiction well beyond the traditional and lawful extent granted under the Clean Water Act and applicable Supreme Court cases.

USACE Jurisdiction under Section 404 of the Clean Water Act

Under Section 404 of the Clean Water Act, the USACE has the authority to permit the discharge of dredged or fill material into waters of the United States (U.S). The term "waters of the U.S." is defined as:

- All waters which are currently used, or were used in the past, or may be susceptible to use in interstate or foreign commerce, including all waters which are subject to the ebb and flow of the tide;
- All interstate waters including interstate wetlands;
- All impoundments of waters otherwise defined as waters of the U.S. under the definition;
- All other waters such as intrastate lakes, rivers, streams (including intermittent streams), mudflats, sandflats, wetlands, sloughs, prairie potholes, wet meadows, playa lakes, or natural ponds, the use, degradation or destruction of which could affect interstate or foreign commerce including any such waters: (i) Which are or could be used by interstate or foreign travelers for recreational or other purposes; or (ii) From which fish or shellfish are or could be taken and sold in interstate or foreign commerce; or (iii) Which are used or could be used for industrial purpose by industries in interstate commerce; and,
- The territorial seas.

In 2006, *Rapanos v. United States* clarified that waters of the U.S. are also defined as: Traditional Navigable Waters (TNW) and their adjacent wetlands; non-navigable tributaries of TNWs that are relatively permanent; and, wetlands that directly abut such tributaries. In addition, the *Rapanos* decision clarified that the USACE asserts jurisdiction over every water body that is not a relatively permanent water (RPW) if that water body is determined to have a significant nexus with a TNW.

The limit of USACE jurisdiction for non-tidal waters of the United States in the absence of adjacent wetlands is the ordinary high water mark (OHWM)¹. "Ordinary high water mark" is defined as that line on the shore established by the fluctuations of water and indicated by physical characteristics such as clear, natural line impressed on the bank, shelving, changes in the character of soil, destruction of terrestrial vegetation, the presence of litter and debris, or other appropriate means that consider the characteristics of the surrounding areas.

Nowhere in the Clean Water Act or resulting court cases are uplands mentioned as jurisdictional or subject to USACE regulation.

USACE Responsibilities under Section 106

When the USACE funds, licenses or permits an activity that may affect cultural resources that are potentially eligible or eligible for listing on the National Register of Historic Places (NRHP), the agency must consult with the SHPO prior to authorizing the activity.

USACE Jurisdiction and Coordination for the White Cliffs II Project

The USACE is responsible for interpreting their jurisdiction under the Clean Water Act appropriately. As part of that responsibility, the USACE has the ability to determine the geographic extent of their jurisdiction, including the survey area for cultural resource investigations. For the White Cliffs II pipeline, the survey area (formally known as the Area of Potential Effects (APE)) was defined by the Project archaeologist and confirmed by the USACE to encompass fifteen High Probability Areas (HPAs) at waters of the U.S., for a total of approximately 5.6 linear miles (206.6 acres) of survey on private lands under USACE jurisdiction. Uplands are not considered waters of the U.S. and therefore a cultural survey in uplands was not proposed or required in order to be in compliance with Section 106.

Ten new archeological sites were recorded during the investigation, eight historic sites and two prehistoric sites. Four previously recorded historic sites were revisited. No historic standing structures are present within the APE. All sites that are eligible or potentially eligible for inclusion on the NRHP that are within the APE were avoided by boring the pipeline underneath the resources. Project archeologists recommended that no NRHP eligible historic properties will be affected at those locations under the jurisdiction of the USACE. (Locations of the resources are considered confidential and are not provided with this summary.)

In addition to the survey at waters of the U.S., approximately 3.1 miles of State of Colorado land was surveyed in compliance with the Antiquities Act. No cultural sites were located on the State of Colorado tracts.

The results of the survey were submitted to the USACE project manager, Mr. Alexander Kostra, on August 4, 2013. On October 1, 2013, Mr. Kostra informally stated that Section 106 compliance (administered by General Condition 20 of

¹ U.S. Army Corps of Engineers and Environmental Protection Agency. Jurisdictional Determination Form Instructional Guidebook. May 20, 2007.

Nationwide Permit 12) has been satisfied and no coordination with SHPO would be necessary (see Attachment 1) as no potentially eligible or eligible sites would be affected by the Project.

On October 9, 2013, the Colorado SHPO wrote to the USACE Denver office stating that SHPO disagrees with the USACE's interpretation of their responsibilities under Section 106. As proposed by the Project Archeologist and confirmed by the USACE, the APE (aka USACE jurisdiction) included 5.6 miles of the pipeline within and immediately adjacent to waters of the U.S. In their letter, SHPO requests that USACE expand their jurisdiction to include the entire 155 miles of the pipeline in Colorado, as well as access roads requiring significant upgrades, staging areas, pumping stations, or wherever ground disturbing activities would occur. It is important to note that the SHPO does not have the authority to stop a project, but it is entitled to obtain from agencies sufficient information upon which to comment².

On October 16, 2013, following his receipt of the SHPO letter, Mr. Kostra verbally confirmed that additional surveys in upland areas as requested by the SHPO are not necessary in order to be in compliance with Section 106 for this project (Pers. comm. Ms. Kelley Bayne, Southwest Geoscience).

The USACE is only required to consult with the SHPO if an activity permitted by the USACE may affect cultural resources that are eligible or potentially eligible for inclusion in the NRHP. As no eligible or potentially eligible cultural resources will be affected by the Project within the USACE's jurisdiction, no additional coordination with the SHPO is warranted at this time.

Conclusion

White Cliffs II, LLC respectfully appreciates the opportunity for SHPO review and comment; however, the regulatory setting does not necessitate additional cultural survey for the remaining 149 project miles at this time. White Cliffs has received agreement from the USACE that the project is in compliance with Section 106. Additionally, a survey of that magnitude would take months to complete, which would delay construction of the pipeline and would certainly result in a significant economic hardship to crude oil producers that are relying on the installation of the pipeline to move crude oil to market. Finally, if White Cliffs II, LLC cannot meet producer delivery expectations, White Cliffs II, LLC would incur significant financial loss from breach of contract. Therefore, completion of the 149-mile survey is not practicable.

White Cliffs II, LLC and Southwest Geoscience appreciate your continued assistance with this Project. Please feel free to contact me if you have any questions or comments concerning the information herein.

² <http://www.historycolorado.org/oahp/commonly-asked-questions-section-106>

*Correspondence to Mr. Christopher C. La Rue
White Cliffs II
SWG 0813N001
December 6, 2013
Page 5*

Southwest
SCIENCE

Sincerely,



Robin Laine
Director, Natural Resources

CC: Mr. Lance King, White Cliffs II, LLC
Mr. Allan Dye, White Cliffs II, LLC
Mr. O.C. Simpson, White Cliffs II, LLC
Ms. Julie Cozad, Tetra Tech

RE: [EXTERNAL] White Cliffs II: Status of USACE coordination(UNCLASSIFIED)

From: Kostra, Alexander A NWO

Sent: Tue, Oct 1, 2013 at 3:03 pm

To: kelley@swgeoscience.com

Classification: UNCLASSIFIED

Caveats: NONE

Hi Kelley. Yes, the Denver Regulatory Office has reviewed the Colorado segment of the White Cliffs II Pipeline and we preliminarily agree with the findings. It appears that this project falls under a non-reporting NWP-12 and Corp review for this segment is not required (per notification requirements of NWP-12 and Colorado Regional Conditions).

Even though Corps review is not required for the Colorado segment, you have requested written concurrence that that project is either 1) authorized by NWP-12, or 2) no PCN is required. Because the Kansas City District is the lead district, I defer to them regarding the nature of our written response. The Denver Regulatory Office will prepare a written response when we receive guidance from the Kansas City District.

As stated above, it appears that this project falls under a non-reporting NWP-12. As such, all general conditions, to include general condition #20-Historic Properties, have been satisfied. Because this is a non-reporting NWP-12 and general condition #20 has been satisfied, the Corps does not intend to consult with the SHPO at this time.

Please be advised that this email does not constitute any type of official authorization or permit verification.

Please let me know if you have any other questions or concerns.

Regards,
Alex Kostra
Regulatory Specialist
Denver Regulatory Office
U.S. Army Corps of Engineers - Omaha District
303-979-4120

-----Original Message-----

From: kelley@swgeoscience.com [mailto:kelley@swgeoscience.com]
Sent: Monday, September 30, 2013 1:07 PM
To: Kostra, Alexander A NWO
Subject: [EXTERNAL] White Cliffs II: Status of USACE coordination

Mr. Kostas,

I would like to follow up with you regarding the approximate 154-mile portion of the proposed White Cliffs II pipeline within the state of Colorado. As discussed via telephone on September 4, 2013 and September 25, 2013, the USACE has received the White Cliffs II Nationwide Permit 12 assessment and applicability document that was submitted to the USACE Denver office on August 4, 2013. Per our conversations, the USACE preliminarily agrees with the submitted findings and a final written response is in process.

In addition, the Class II Cultural Resources Investigation that was included in the submitted Nationwide Permit 12 assessment document was not forwarded to the Colorado State Historic Preservation Office (SHPO) by the USACE due to the lack of cultural material within USACE jurisdictional areas. Southwest Geoscience will submit the

ATTACHMENT 1



December 10, 2013

Chris LaRue
Adams County Planning and Development Department
4430 South Adams County Parkway
Brighton, CO 80601-8216

RE: White Cliffs Twin Pipeline-Conditional Use Permit, RCU2013-00027
TCHD Case No. 3024

Dear Mr. LaRue:

Thank you for the opportunity to review and comment on the White Cliffs Twin Pipeline, for the proposed 23-mile pipeline to transport crude oil, located in northeastern Adams County. Tri-County Health Department (TCHD) staff has reviewed the application for compliance with applicable environmental and public health regulations and has the following comments.

Sanitary and Solid Waste Disposal

The information provided with the referral does not discuss the provision of temporary sanitary facilities for pipeline workers. We anticipate that trash dumpsters and portable toilets will be necessary during construction. TCHD recommends that the applicant address these, in terms of numbers, locations, and vendor.

Groundwater Discharge

Each of the three alternative routes for the pipeline has multiple water crossings. TCHD anticipates that groundwater will be encountered at many of those crossings. If discharge of groundwater is necessary during construction, a discharge permit from the Colorado Department of Public Health and Environment (CDPHE), Water Quality Control Division will be necessary.

Protection of Above-Ground Valves

The applicant does not indicate whether above-ground valves will be constructed; however, based on our review of similar pipeline projects, we anticipate that they will be constructed. Above-ground valves may be damaged or vandalized once they are installed and placed into use. If above-ground valves will be part of the pipeline project in Adams County, TCHD recommends that the applicant provide protection and security for the valves. Protection and security may include, but not be limited to fencing with locked gates, bollards, or both.

Please feel free to contact me at (720) 200-1568 or email at wbrown@tchd.org if you have any questions on TCHD's comments.

Sincerely,

A handwritten signature in black ink that reads "Warren S. Brown". The signature is fluid and cursive, with the first name being the most prominent.

Warren S. Brown, P.E.
Public Health Engineer

CC: Sheila Lynch, Monte Deatrich, TCHD



Sanitary and Solid Waste Disposal

The information provided with the referral does not discuss the provision of temporary sanitary facilities for pipeline workers. We anticipate that trash dumpsters and portable toilets will be necessary during construction. TCHD recommends that the applicant address these, in terms of numbers, locations, and vendor.

White Cliffs construction contract requires the construction contractor to provide an adequate number of temporary sanitary facilities for pipeline workers as well as trash dumpsters. The sanitary and solid waste disposal units will coincide with the progression of contractor activities throughout the length of the pipeline right of way. The units will be located at least 50 feet from any storm water inlets and will be staked to avoid topping.

Protection of Above-Ground Valves

The applicant does not indicate whether above-ground valves will be constructed; however, based on our review of similar pipeline projects, we anticipate that they will be constructed. Above-ground valves may be damaged or vandalized once they are installed and placed into use. If above-ground valves will be part of the pipeline project in Adams County, TCHD recommends that the applicant provide protection and security for the valves. Protection and security may include, but not be limited to fencing with locked gates, bollards, or both.

White Cliffs will have one above ground valve. As required by the U.S. Department of Transportation the valve will have protection from unauthorized operation and from vandalism. A photo of a typical above-ground valve has been submitted to the Adams County Planning Department. The valve will have a six foot chain link fence around it for additional security.

Groundwater Discharge

Each of the three alternative routes for the pipeline has multiple water crossings. TCHD anticipates that groundwater will be encountered at many of those crossings. If discharge of groundwater is necessary during construction, a discharge permit from the Colorado Department of Public Health and Environment (CDPHE), Water Quality Control Division will be necessary.

White Cliffs does not anticipate intercepting groundwater at the water crossings in Adams County. To avoid intercepting groundwater, creek crossings will be directionally bored crossings. If groundwater is encountered White Cliffs will obtain the necessary discharge permits.



Right of Way & Permits

1123 West 3rd Avenue
Denver, Colorado 80223
Telephone: 303.571.3306
Facsimile: 303. 571.3660
donna.l.george@xcelenergy.com

December 6, 2013

Adams County
Department of Planning and Development
4430 South Adams County Parkway
1st Floor, Suite W2000A
Brighton, CO 80601-8216

Attn: Chris LaRue

Re: White Cliffs Twin Pipeline, Case # RCU2013-00027

Public Service Company of Colorado (PSCo) has determined **there is a conflict** with the above captioned project. Public Service Company has an existing electric transmission line and associated land rights as shown within this project area. Any activity including grading, proposed landscaping, erosion control or similar activities involving our existing right-of-way will require Public Service Company approval. Encroachments across Public Service Company's easements must be reviewed for safety standards, operational and maintenance clearances, liability issues, and acknowledged with a Public Service Company License Agreement to be executed with the property owner. **PSCo is requesting that, prior to any final approval of the development plan**, it is the responsibility of the property owner/developer/contractor to contact **Mike Diehl, Siting and Land Rights Supervisor at (303) 571-7260 or michael.diehl@xcelenergy.com**, to have this project assigned to a Land Rights Agent for development plan review and execution of a License Agreement.

As a safety precaution, PSCo would like to remind the developer to call the **Utility Notification Center at 1-800-922-1987** to have all utilities located prior to any construction.

Should you have any questions with this referral response, please contact me at 303-571-3306.

Sincerely,

Donna George
Contract Right of Way Referral Processor
Public Service Company of Colorado

Sheryl Christie

To: Swinhart, Harry M
Subject: RE: White Cliffs Pipeline

From: Swinhart, Harry M [mailto:harry.swinhart@xcelenergy.com]
Sent: Friday, December 20, 2013 8:52 AM
To: 'Sheryl Christie'
Subject: RE: White Cliffs Pipeline

Sheryl: I have talked with Mike about how I handled the process and he has approved the new exhibit. Thank you.

From: Sheryl Christie [mailto:sheryl@elkourilandservices.com]
Sent: Wednesday, December 18, 2013 9:39 AM
To: Swinhart, Harry M
Subject: RE: White Cliffs Pipeline

Harry,
Sent those requirements out to the Construction supervisors as well as our people.
Do I need to check back with Michael Diehl on anything?
Thanks for all your assistance.
Have a Merry Christmas!

Sheryl Christie

From: Swinhart, Harry M [mailto:harry.swinhart@xcelenergy.com]
Sent: Wednesday, December 18, 2013 10:29 AM
To: 'Sheryl Christie'
Subject: RE: White Cliffs Pipeline

Sheryl: I think this is all we need. Please adhere to the clearance requirements I sent you.

From: Sheryl Christie [mailto:sheryl@elkourilandservices.com]
Sent: Wednesday, December 18, 2013 9:10 AM
To: Swinhart, Harry M
Subject: RE: White Cliffs Pipeline

I have those too!
Is this all I need, or do we have to have some type of letter or document stating that you are amending our license agreement to add the new 50' easement as depicted?

Sheryl Christie

From: Swinhart, Harry M [<mailto:harry.swinhart@xcelenergy.com>]
Sent: Wednesday, December 18, 2013 10:06 AM
To: 'Sheryl Christie'
Subject: RE: White Cliffs Pipeline

A senior moment.

From: Sheryl Christie [<mailto:sheryl@elkourilandsservices.com>]
Sent: Wednesday, December 18, 2013 8:59 AM
To: Swinhart, Harry M
Subject: RE: White Cliffs Pipeline

did not receive the attachment

Sheryl Christie

From: Swinhart, Harry M [<mailto:harry.swinhart@xcelenergy.com>]
Sent: Wednesday, December 18, 2013 9:51 AM
To: 'Sheryl Christie'
Subject: RE: White Cliffs Pipeline

Sheryl: Please attach this new exhibit to the existing License Agreement that was executed July 7th, 2008. Please let me know if you need any further information at this time. Thank you.

From: Sheryl Christie [<mailto:sheryl@elkourilandsservices.com>]
Sent: Friday, December 13, 2013 9:52 AM
To: Swinhart, Harry M
Subject: RE: White Cliffs Pipeline

If we can get the license agreement amended or a new agreement in place by the end of next week, we should not need the construction easement.

Sheryl Christie

From: Swinhart, Harry M [<mailto:harry.swinhart@xcelenergy.com>]
Sent: Friday, December 13, 2013 10:37 AM
To: 'Sheryl Christie'
Subject: RE: White Cliffs Pipeline

Sheryl: Do you need a temporary construction easement for this project.

From: Sheryl Christie [<mailto:sheryl@elkourilandsservices.com>]
Sent: Friday, December 13, 2013 9:20 AM
To: Swinhart, Harry M
Subject: FW: White Cliffs Pipeline

Sheryl Christie

From: Sheryl Christie [<mailto:sheryl@elkourilandservices.com>]
Sent: Wednesday, December 11, 2013 1:52 PM
To: 'Diehl, Michael E'
Subject: RE: White Cliffs Pipeline

Michael,

See attached all the documents per our conversation.
Please let me know if you need anything else in order to resolve this quickly.
Thank you,

Sheryl Christie

From: Diehl, Michael E [<mailto:Michael.Diehl@XCELENERGY.COM>]
Sent: Wednesday, December 11, 2013 1:32 PM
To: 'Sheryl Christie'
Subject: RE: White Cliffs Pipeline

Sorry I missed your calls. Please send a new graphic showing the location of the originally licensed pipeline with the new pipeline and I will consider just amending the existing license rather than going through the whole process over again. Thank you very much.

From: Sheryl Christie [<mailto:sheryl@elkourilandservices.com>]
Sent: Wednesday, December 11, 2013 8:58 AM
To: Diehl, Michael E
Subject: White Cliffs Pipeline

Mr. Diehl,

I am following up on a voice mail I left you earlier this morning. I work with White Cliffs Pipeline out of OKC.

In 2008, White Cliffs Pipeline obtained a Temporary Easement for construction and a License Agreement for a 50' wide permanent easement in Section 20, Township 1 South, Range 59 West, Adams County from Public Service Company of Colorado.

White Cliffs Pipeline is constructing a second pipeline paralleling its existing line. White Cliffs has a Right-of-Way and Easement signed with the landowner, Five Partners, LLC for this additional line. Apparently we dropped the ball on contacting PSCo to obtain a new License Agreement. The new line is to be 15' south of the existing line, thereby the new 50' permanent easement will overlap the existing 50' permanent easement.

Could you please get me the contact information for the person on your end that handles these matters? I would like to get this resolved quickly, as time is of the essence.

Thank you,

Sheryl Christie
405-604-5580
719-760-0753 (cell)

Licensee: White Cliffs Pipeline LLC
Investigation #: 2008-110
Line No. Pawnee – Smokey Hill (214)
Plat No. 1179-2.33

File With Document #: 92403
Agent: Bauer
Engineer: Braasch
Section 20 Twp 1s Rge 59W
County: Adams

LICENSE AGREEMENT

This LICENSE AGREEMENT ("License") is made this 15th day of July 2008 by and between PUBLIC SERVICE COMPANY OF COLORADO, a Colorado Corporation hereinafter called "Licensor," and WHITE CLIFFS PIPELINE L.L.C. hereinafter called "Licensee."

RECITALS

A. Licensor is the owner of an **easement or right-of-way** for utility facilities (the "Premises"), and desires to protect the facilities located thereon and preserve the future use of said easement or right-of-way, which is more particularly described as follows:

The East 225 feet of Section 20, Township 1 South, Range 59 West of the 6th Principal Meridian, County of Adams, State of Colorado, Subject to existing County Road Rights-of-Way and as described in the attached Exhibit "A".

B. Licensee desires a **50' wide easement to construct a 12" crude-oil pipeline** ("licensed facility") in, under, or along portions of the Premises as more particularly shown on Exhibit A, attached hereto and made a part hereof, and desires to obtain Licensor's permission therefore.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensor hereby grants to Licensee, with respect to such interest as Licensor may have in the Premises, the authorization to construct, operate, maintain, repair, inspect, remove, and replace the licensed facility in, on, under, or along the Premises, subject to the following:

(1) Licensor is the owner of a limited interest in the Premises. Licensee shall bear the sole obligation of obtaining from the fee title owner of the Premises or others owning proprietary interest in the Premises, such authority or rights as Licensee may need in addition to this license for Licensee's use of the Premises. Licensee agrees that any authorization granted herein is subject to Licensee obtaining such additional authorization.

(2) Licensor intends to use the Premises for the construction, operation, maintenance, repair, replacement, and relocation of its utility facilities, and the rights herein granted to Licensee for the use of the Premises are subject to the rights of Licensor to use the Premises for such purposes, which rights Licensor hereby expressly reserves.

(3) Licensee shall contact the Utility Notification Center of Colorado (1-800-922-1987) for location of any underground utilities, at least two working days prior to the commencement of construction on the Premises. Further, if Licensor has constructed electric transmission facilities on the Premises, Licensee shall contact Licensor's Electric Transmission Lines department at (303) 273-4669 at least four working days prior to the commencement of construction on the Premises. At the discretion of Licensor's Electric Transmission Lines department, construction activities on the Premises shall be performed only when

Licensors representative is present. The instructions of such representative relating to the protection of Licensor's facilities will be followed by Licensee, and will be considered conditions of this authorization.

(4) Licensee shall not do or permit to be done any blasting above, underneath, or near facilities on the Premises without first having received prior written permission from Licensor. Any blasting shall be done in the presence of a representative of Licensor and in accordance with directions such representative may give for the protection or safety of facilities in the area.

(5) Any damage to the Premises, or to Licensor's facilities located on the Premises, as a result of the construction, operation, maintenance, repair, inspection, removal, replacement, or relocation of the licensed facility shall be paid for or repaired at the expense of Licensee.

(6) Licensee agrees and understands that if Licensor has constructed natural gas gathering, storage, transmission, distribution, or related facilities on the Premises, Licensee has been fully advised by Licensor that such natural gas facilities may now transport and may continue to transport natural gas at significant pressures. Licensee shall advise all of its employees, agents, contractors, and other persons who enter upon the Premises, pursuant to the provisions of this license, of the existence and nature of such natural gas facilities and the danger and risk involved.

(7) Licensee agrees and understands that the natural gas facilities of Licensor, if located on the Premises, may be subject to cathodic protection by rectifier and related anode beds, and that Licensor shall not be liable for stray current or interfering signals induced in the licensed facility as a result of the operating of Licensor's cathodic protection system.

(8) Licensee agrees and understands that if Licensor has constructed electric transmission, distribution, or related facilities on the Premises, Licensee has been fully advised by Licensor that such electric facilities may now transmit and may continue to transmit electric current at significant voltages, and that the conductors on electric lines may not be insulated. Licensee shall advise all of its employees, agents, contractors, and other persons who enter upon the Premises, pursuant to the provisions of this license, of the existence and nature of such electric facilities and the potential danger and risk involved.

(9) (a) (i) As used in this license, the term "Claims" means (1) losses, liabilities, and expenses of any sort, including attorneys' fees; (2) fines and penalties; (3) environmental costs, including, but not limited to, investigation, removal, remedial, and restoration costs, and consultant and other fees and expenses; and (4) any and all other costs or expenses.

(ii) As used in this license, the term "Injury" means (1) death, personal injury, or property damage; (2) loss of profits or other economic injury; (3) disease or actual or threatened health effect; and (4) any consequential or other damages.

(b) To the extent permitted by law, Licensee covenants and agrees to at all times protect, indemnify, hold harmless, and defend Licensor, its directors, officers, agents, employees, successors, assigns, parents, subsidiaries, and affiliates from and against any and all Claims arising from, alleged to arise from, or related to any Injury allegedly or actually occurring, imposed as a result of, arising from, or related to (1) this license; (2) the construction, existence, maintenance, operation, repair, inspection, removal, replacement, or relocation of the electric transmission or distribution; natural gas gathering, storage, transmission, or distribution; or any other utility facilities located on the Premises; or (3) Licensee's or any other person's presence at the Premises as a result of or related to this license.

(c) Licensee's duty to protect, indemnify, hold harmless, and defend hereunder shall apply to any and all Claims and Injury, including, but not limited to:

(i) Claims asserted by any person or entity, including, but not limited to, employees of Licensee or its contractors, subcontractors, or their employees;

(ii) Claims arising from, or alleged to be arising in any way from, the existence at or near the Premises of (1) electric power generation, transmission, distribution, or related

facilities; (2) electricity or electromagnetic fields; (3) natural gas gathering, storage, transmission, distribution, or related facilities; or

(iii) Claims arising from, or alleged to be arising in any way from, the acts or omissions of Licensee, its sublessees, invitees, agents, or employees.

(d) By agreeing to indemnification hereunder, Licensee does not waive any provisions of the Colorado Governmental Immunity Act.

(10) A copy of this license shall be on the Premises and available during construction of the licensed facility.

(11) This license is not transferable or assignable without the express written permission of Licensor.

(12) Upon abandonment of the use of the Premises by Licensee or removal of the licensed facilities, this license shall terminate.

(13) This license shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

(14) This license may be executed in two original counterparts, each of which shall be deemed an original of this instrument.

(15) Additional Provisions:

CONSIDERATION

Beginning on the Commencement Date, Licensee shall pay to Licensor a flat fee in the sum of \$1000.00. The initial payment of the License Agreement shall be made on or before the Commencement Date. The Commencement Date is the date of complete execution of this Agreement.

IN WITNESS WHEREOF, this instrument has been executed the day and year first above written.

PUBLIC SERVICE COMPANY OF COLORADO

By: 

Pete West

Managing Director Local Affairs, Xcel Energy Services, Inc.
Agent for Public Service Company of Colorado

Agreed to and accepted by Licensee this 7th day of July 2008.

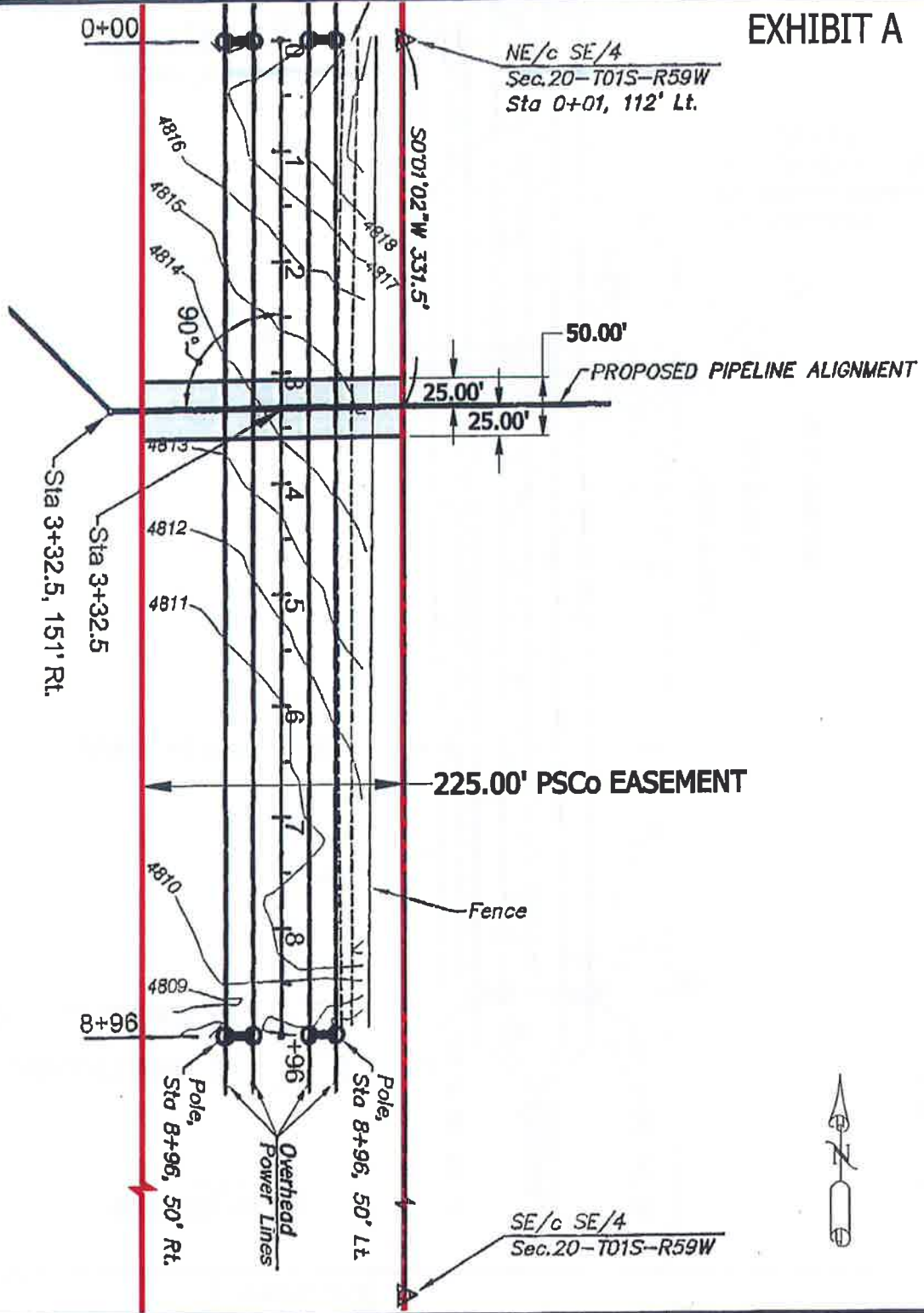
WHITE CLIFFS PIPELINE L.L.C.

By: 
Peter L. Schwiering
President

11501 South 1-44 Service Road
Oklahoma City, OK 73173

405-692-5100

EXHIBIT A



DWG: 2214-2.61_LICENSE.dwg


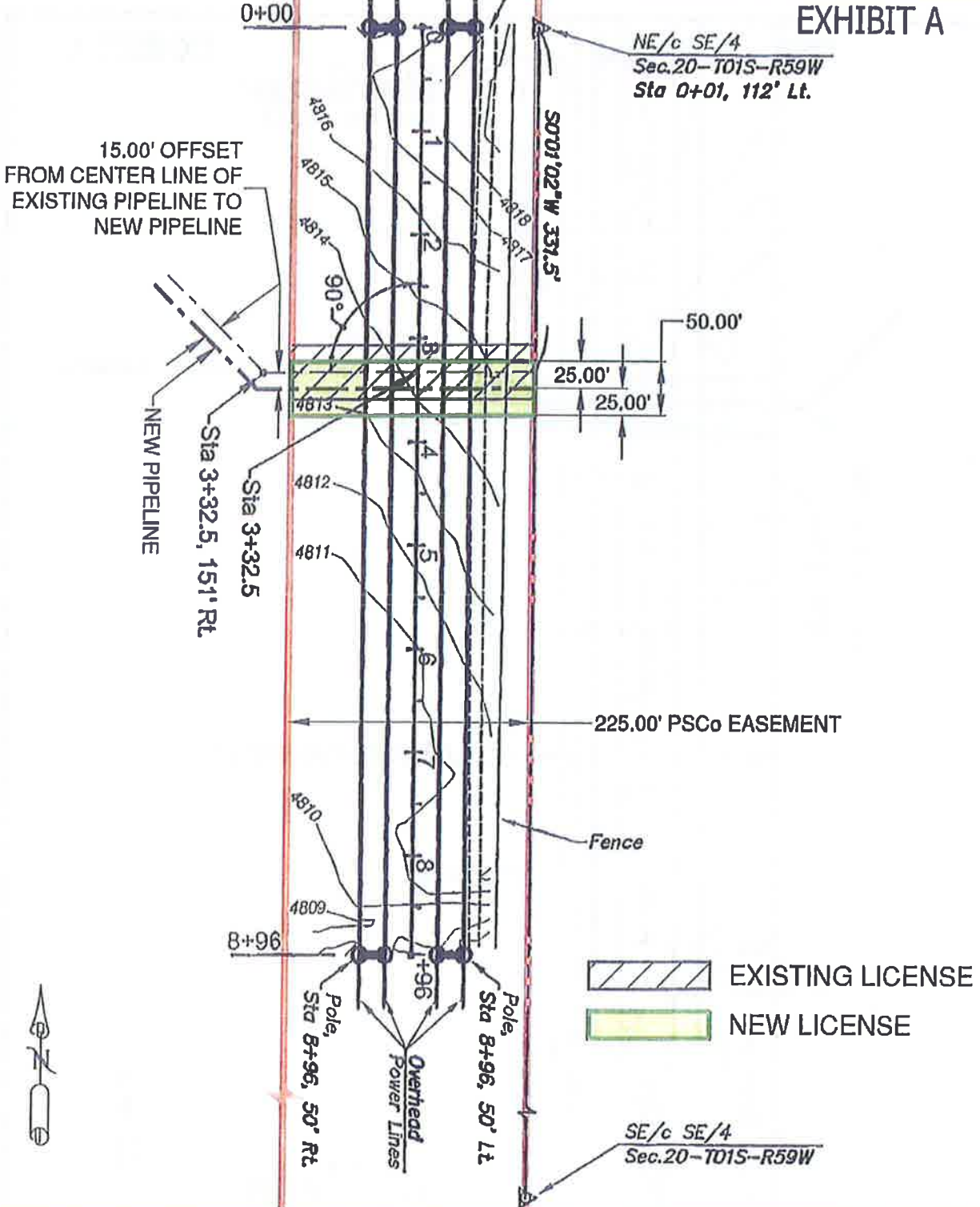
LICENSEE: WHITE CLIFFS PIPELINE, L.L.C		INVESTIGATION NO.: 2008-110	 Xcel Energy <small>PUBLIC SERVICE COMPANY</small>	
SE1/4 OF SECTION 20	TOWNSHIP: 1 SOUTH	RANGE: 59 WEST		SCALE: 1"=125'
6TH PRINCIPAL MERIDIAN	ADAMS	COUNTY, COLORADO		DRAWN BY: CB/csh
PLAT NO.: 2214-2.61	DOCUMENT NO.: 92403	AGENT: K. BAUER	DATE: 06-26-08	
			LINE: SMOKY HILL-PAWNEE 230KV	

EXHIBIT A



DWG: 2013-283HS_LICENSE.dwg

LICENSEE: WHITE CLIFFS PIPELINE, L.L.C		INVESTIGATION NO.: 2013-283	 Xcel Energy <small>PUBLIC SERVICE COMPANY</small>
SE1/4 OF SECTION 20 6TH PRINCIPAL MERIDIAN	TOWNSHIP: 1 SOUTH ADAMS COUNTY, COLORADO	SCALE: 1"=125' DRAWN BY: CB/cah	
PLAT NO.: 2214-2.61	DOCUMENT NO.: 92403	AGENT: H. SWINHART	DATE: 12-16-13

STATE OF COLORADO

John W. Hickenlooper, Governor
Larry Wolk, MD, MSPH
Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S. Laboratory Services Division
Denver, Colorado 80246-1530 8100 Lowry Blvd.
Phone (303) 692-2000 Denver, Colorado 80230-6928
Located in Glendale, Colorado (303) 692-3090
www.colorado.gov/cdphe



Colorado Department
of Public Health
and Environment



December 5, 2013

Chris LaRue
Case Manager
Adams County Colorado
Planning & Development Department
4430 S. Adams County Parkway
1st Floor, Suite W2000A
Brighton, CO 80601-8216

RE: White Cliffs Twin Pipelines

Dear Mr. LaRue:

On November 15, 2013, the Colorado Air Pollution Control Division (APCD) received a request for an air quality determination concerning White Cliffs Twin Pipelines. APCD staff has reviewed the request and has determined that the following provisions of the Colorado Air Quality Regulations apply to the project.

All sources of potential construction project air emissions in Colorado are required to obtain a construction permit unless specifically exempt from the provisions of Regulation No. 3. Go to the website www.colorado.gov/cdphe/APCD to view this regulation - click on Air Quality Regulations, then Regulation No 3. Section II.D.1 lists which projects are exempt from requirements of the regulation. In addition, you will need to establish whether you are in an air quality attainment or non-attainment area, by accessing the information at www.colorado.gov/cs/Satellite/CDPHE-AP/CBON/1251595265316.

Once it has been determined that an **Air Pollution Emissions Notice (APEN)** is required, the next phase of air permitting involves submission of an **Application for Construction Permit** for each facility and one **APEN** for each emission source. A source can be an individual emission point or group of similar emission points (see Regulation No. 3, Part A). Both APEN reporting and permit requirements are triggered by uncontrolled actual emission rates. Uncontrolled actual emissions are calculated based upon the requested production/operating rate assuming no control equipment is used. In general, an APEN is required for an emission point with uncontrolled actual emissions of any critical pollutant equal to or greater than the quantities listed below:

AREA	UNCONTROLLED ACTUAL EMISSIONS
Attainment Area	2 tons per year
Non-attainment Area	1 ton per year
All Areas	Lead emissions: 100 pounds per year

Sources of non-criteria reportable pollutants have different reporting levels depending upon the pollutant, release point height and distance to the property line. Please see **Regulation No. 3 Appendix A and C** to determine the appropriate reporting level for each pollutant, and for a list of **non-criteria reportable air pollutants**.

However, none of the exemptions from an APEN filing requirement shall apply if a source would otherwise be subject to any specific federal or state applicable requirement. Information concerning submittal of revised APEN is also given in Regulation No. 3, Part A. An APEN is valid for five years. The five year period recommences when a revised APEN is received by the Division.

If you have any questions regarding your reporting or permitting obligations, please contact the Small Business Assistance Program at 303-692-3148 or 3175.

Land development construction activities (earth moving) that are greater than **25 acres** or more than **six months in duration** will require an APEN from the Air Division and may be required to obtain an air permit. In addition, a start-up notice must be submitted thirty days prior to beginning a land development project.

Please refer to the website www.colorado.gov/cdphe/APCD for information on APEN forms. Click on Construction Permit and Compliance Forms, then click on the menu item that applies to your project.

If you have any questions or need additional information, please call the phone number(s) listed above, or you may call/ e-mail me directly at 303-692-3127 / jim.dileo@state.co.us.

Thank you for contacting the Division about requirements for your project or permit.

Sincerely,



James A. DiLeo
 NEPA Coordinator
 Air Pollution Control Division
 Colorado Department of Public Health and Environment

Chris LaRue

From: Genevieve Pizinger
Sent: Wednesday, January 29, 2014 9:04 AM
To: Chris LaRue
Subject: Case #RCU2013-00027 White Cliffs Twin Pipeline Citizen Comment

Chris,

A gentleman by the name of John Metli called in regards to Case #RCU2013-00027 White Cliffs Twin Pipeline. He owns two properties within the Alternate 2 route, Parcel #015550000009 and Parcel #015550000010. Mr. Metli said he will not be able to make it to the public hearing but has no problems with the pipeline going through his properties.

Regards,

Genevieve Pizinger

Adams County Planning and Development Department
4430 South Adams County Parkway | 1st Floor, Suite W2000A | Brighton, CO 80601-8216 | 720.523.6861
gpizinger@adco.gov

Chris LaRue

From: JULIE CLAYBURG [clayburg@yahoo.com]
Sent: Friday, November 22, 2013 5:12 PM
To: Chris LaRue
Subject: White Cliffs pipeline

As a property owner near the pipeline - 98001 E 96th Ave. Byers ; I am against building a second one. Two pipelines double the risk of breakage. Oil seeping into the groundwater will pollute our land and more importantly our well.

Vinton Clayburg
Autodidact Aeronautical Engineering