

**Right-of-Way Leasing Act  
AS 38.35.050**

**APPLICATION FOR PIPELINE RIGHT-OF-WAY LEASE**

1. Date of Application:           October 23, 2013

2. Name and Address of Applicant(s):  
    Trans-Foreland Pipeline Company, LLC.  
    19100 Ridgewood Parkway  
    San Antonio, TX 78259

**PART I  
PROPOSED ROUTE**

3. Point of Origin:     Kustatan Point - Kustatan Production Facility

4. Point of Termination:     Nikiski- Kenai Pipeline (KPL) Company Tank Farm

5. Total proposed length:     Approximately 29 miles (47 kilometers)

6. Total length proposed to cross state lands:     Approximately 22 miles (36 kilometers)

7. Attach a map or plat showing the proposed alignment of the centerline of the pipeline right- of-way and indicate the areas of state upland ownership throughout the length of the proposed right-of-way.

See attached Project Description Figures 1 through 6.

8. Proposed crossings of streams and other bodies of water. (For each crossing indicate the width and depth of the stream or water body.)

Cook Inlet:

Cook Inlet is approximately 10 miles (16 kilometers) wide at the narrowest part of the Forelands with a maximum depth of 361 feet.

Cook Inlet is approximately 31 miles (50 kilometers) wide at the widest part of the Forelands with a maximum depth of 235 feet.

The Trans-Foreland Pipeline Project area maximum depth is approximately 235 feet.

9. Attach a map or plat showing the proposed alignment of the centerline of the pipeline right-of-way where it crosses the beds of streams or other bodies of water.

See attached Project Description Figure 1.

10. Width of the proposed temporary right-of-way required for construction for each segment of the pipeline route on state lands.

Offshore width of proposed temporary right-of-way (ROW) is 600 feet.

11. Size and location of any sites, in addition to the proposed pipeline right-of-way, requested on a temporary basis during construction.

None. Laydown areas will be on existing pads on private land.

12. Width of the proposed right-of-way required for operating the completed pipeline for each segment of the pipeline route on state lands.

Offshore width of proposed ROW is a minimum of 50 feet.

13. Size and location of any sites, in addition to the proposed pipeline right-of-way, requested for the operation of the completed pipeline.

None.

14. Legal description of state lands within the proposed pipeline right-of-way that are reserved or committed to any purpose. (For each tract of such state lands, state the purpose to which it is reserved or committed.)

Beginning Point- Kustatan Production Facility

End Point – Kenai Pipeline Company (KPL) Tank Farm in Nikiski

All shipping facilities on the west side of Cook Inlet will be upstream of the beginning of the line. From south (nearest) to north (furthest), these shipping facilities are: the Kustatan Production Facility, the West McArthur River Unit Production Facility, the Trading Bay Production Facility, and the Granite Point Tank Farm.

The proposed pipeline will feed into the KPL tank farm oil storage facility.

Kustatan Point – Cook Inlet Energy, LLC. Non-Exclusive Pipeline Right-of-way: ADL 227954

Cook Inlet Energy, LLC. Fiber Optic Right-of-way: ADL 228217

Nikiski - Shore Fishery Lease Case Number: ADL224785 and ADL 224786

Cook Inlet

**Right of Way Easements:**

DOT&PF Design and Construction ROW Central Region; ADL 26123

Kodiak-Kenai Cable Company, LLC; ADL 228146

PART II

## PROJECT DESCRIPTION

15. Substance(s) to be transported:

Sales oil

16. Size, engineering and design characteristics and amount of each type of pipe to be used:

The pipeline will be constructed from API 5L Grade X52 pipe (Specified Minimum Yield Strength of 52,200 psi) with an outside diameter of 8.625 inches; and a wall thickness of 0.500 inches.

17. Size, number and location of pumping, compressing, heating or refrigeration stations:

Not applicable.

18. Transportation capacity of the proposed pipeline:

62,600 barrels (bbls) per day.

19. Estimated life of the pipeline:

The design life of the pipeline is 30 years which coincides with the length of the proposed lease. At the end of the lease, the pipeline would be evaluated for useful life during lease renewal.

A 30-year design life does not indicate the pipeline and associated structure will be used up, failure-prone, or require replacement. Engineering design life is established from a combination of technical, regulatory, economic, and commercial considerations. There are various definitions of design life; however, for the purpose of this lease it can be defined as the period over which the systems, components, and structure are required to perform their primary functions with acceptable safety, regulatory, and environmental performance, and with acceptable probability they will not experience large failures, require extensive replacements, or need significant repairs.

20. Planned temperature at which each substance will be transported and whether it will be heated or refrigerated to maintain that temperature.

The product will leave the Kustatan Production Facility at an average temperature of approximately 40°F (4°C). No heating or refrigerating will be required. The temperature of the product is expected to reach the ambient temperature of the Cook Inlet waters prior to delivery at the KPL Tank Farm. Temperatures will vary with season and throughput levels.

Currently, oil shipments are made from the Osprey Platform to the Kustatan Production Facility through a subsea pipeline laid on the seafloor. The cold temperatures do not affect the pipeline's performance. Pumps are all oversized because of the current production rates and the batching of oil shipments. With operation of the Trans-Foreland Pipeline, oil will be pumped at a more gradual rate.

21. The pipeline will be (check as appropriate):

- Supported over the surface along its entire length N/A
- On the surface along its entire length N/A
- Partially buried along its entire length N/A
- Completely buried along its entire length N/A
- None of the above X (If this is checked, attach a map showing which portions of the pipeline are planned to be over the surface, on the surface, partially buried and wholly

buried).

See the attached Project Description Figures 1 through 6. The pipeline may be partially buried and partially laid on the surface in Cook Inlet as described below and in the Project Description.

**Kustatan:** The 8-inch pipeline will begin at the Kustatan Production Facility, travel approximately 1.9 miles (3.0 km or 10,032 feet) buried along an existing pipeline ROW to the bluff on the west side of Cook Inlet.

**West Shore Transition:** Starting at the top of bluff, the pipeline will be installed using horizontal directional drilling (HDD) for approximately 0.3 mile (0.5 km) into the inlet where it will exit onto the seafloor. The pipeline will be installed parallel to, and south of, the three existing pipelines that connect to the existing offshore Osprey platform.

**Cook Inlet:** From the HDD exit, the pipeline will be laid on the seafloor across Cook Inlet in a horseshoe shape. Anchors may be placed periodically along its length to provide vertical and lateral stability. Where seafloor conditions allow it, the pipelines may be buried using a jet sled to provide on-bottom stability. The pipeline is laid in a horseshoe shape to avoid high tidal currents and deep water occurring between the East and West Forelands. The length of the seafloor portion of the pipeline is approximately 22 miles (35.4 km or 116,160 feet).

**East Shore Transition and Nikiski:** The pipeline will curve to the east and transition to an HDD installation as it approaches the shore. The HDD will be approximately 0.5 miles (0.8 km or 2,640 feet) long and will transition to a conventional burial at the KPB-owned pole island gravel pit. The pipeline then turns north and will be buried on the west side of the Kenai Spur Highway in an existing utility and pipeline corridor. The pipeline will turn west and enter the southeast corner of the KPL Tank Farm property and terminate at an existing pipeline header where a pigging receiver and metering skid will be installed. The pipeline measures approximately 4.2 miles (6.8 km or 22,176 feet) long.

22. Describe the methods to be employed for partially or completely burying any portion

**Onshore Burial:** The buried onshore portions of the pipeline will be installed using the cut and cover construction method. The trench will measure approximately 3 feet wide by 4 feet deep and will be excavated using a backhoe. Overburden will be stockpiled along the trench with the topsoil segregated to the extent possible to preserve the native seed bank. The trench will be backfilled, and the area will be contoured to match existing topography. The segregated topsoil will be placed over the trench and mounded to account for settlement. The disturbed area will be fertilized to facilitate growth of the native seeds preserved within the top soil. Fertilizer will not be used on the beach. Existing roads paralleling the pipeline corridor will be used to access the site.

**Horizontal Direction Drilling:** The West Foreland HDD length starts at the top of bluff, the pipeline will be installed using HDD for approximately 0.3 mile into the inlet where it will exit onto the seafloor. The East Foreland HDD length will be approximately 0.5 miles from the seafloor to the top of the bluff. The HDD entry sites will measure 30 feet long by 100 feet wide. The construction barge will pick up the ends of the pipeline and weld the offshore pipeline to the HDD shore to offshore transition pipeline segment.

**Offshore Burial:** The pipeline will be welded on the lay barge deck and placed in the water using a stinger. Where conditions allow, a subsea trenching jet sled may be used to bury the pipeline in the seabed where soils are conducive to burial. High-pressure water jets open a trench in the seabed underneath the pipeline after it has been laid on the seafloor. The jet sled straddles the pipeline and has built in water jets. The seabed material is loosened by the jets and is entrained by suction tubes and expelled behind the sled covering pipeline as it moves. The jet sled is towed along the pipeline by a cable from the pipe lay barge. The lay barge provides the pressurized water and air for the system.

23. Describe any bridges, trestles, other structures or berms for the support of the proposed pipeline.

None.

24. Describe the proposed method for all stream crossings and crossings of other bodies of water.

There are no stream crossings along the proposed pipeline alignment.

HDD will be used to bury the pipeline from the top of the bluff on the west and east sides of the inlet to the seafloor. From the HDD seafloor exit site, the pipeline will be laid across the bottom of Cook Inlet in a horseshoe shape using a lay barge.

25. Describe the proposed methods for grades, cuts or fills.

See No. 22 for a description of burying the pipeline using traditional cut and cover construction methods.

The need for additional fill is not anticipated. On the west side of Cook Inlet, the existing, permitted 1.5-mile pit will be used for sand and gravel as needed to supplement material removed from the trench. On the east side of Cook Inlet, an existing commercial operation will be contracted to provide sand and gravel as needed.

26. Discuss planned facilities for spill or leak prevention and containment.

The Trans-Foreland Pipeline will be monitored 24 hours a day. Remote Terminal Units (RTU's) will be installed at either end of the pipeline to measure pressure, temperature, and other critical operating parameters. The information contained in these local RTU's will be telemetered to a central Supervisory Control and Data Acquisition (SCADA) monitoring system. The SCADA system will be designed to meet the requirements of 49 CFR Part 195.446 and provide operators with appropriate displays, trends, alarm management, and reports. Operational personnel will use this information to operate and control the pipeline and its pumps, valves, meters, and regulation.

The SCADA system will provide information to a Computational Pipeline Monitoring (CPM) system that is designed to meet 49 CFR 195.134 and API 1130. This type of system is typically referred to as a Pipeline Leak Detection System (PLDS). Based on pipeline conditions and local familiarity with operating a CPM, ATMOS Pipe or equivalent will perform the leak detection analysis. ATMOS Pipe was evaluated by Alaska Department of Environmental Conservation (ADEC) and found compliant to meet its strict criteria for Best Available Technology (BAT) in 18 AAC 75.445(k) and is capable of satisfying the requirements of 18 AAC 75.055(a). ATMOS Pipe uses the corrected flow balance in conjunction with Sequential Probability Ratio Test to provide reliable leak detection. It is successfully applied to lines with severe transients, multiphase flow, wet gas, lines with slack flow and other challenging conditions. ATMOS Pipe applies advanced statistical techniques to flow, pressure and temperature measurements of a pipeline. Variations generated by operational changes are registered and allows the statistical parameters to be tuned to assure reliable system performance. As the system monitors a pipeline continuously, it learns about continual changes in the line and in the flow, pressure instruments.

27. Proposed access roads, airstrips, heliports, float plane facilities, communication facilities, storage sites for equipment and materials, material sites, and material disposal sites, whether planned for construction, operation or maintenance support:

No roads, airstrips, heliports, float plane facilities, communications facilities, or material disposal sites are planned. The lay barge will have a helipad to assist in emergency evacuation if necessary. Existing public and private air, road, and communication facilities will be used. Existing roads will be used to access the pipeline right-of-way.

**Staging Areas:** An existing pad at the Kustatan Production Facility will be used to stage construction equipment and supplies on the west side of Cook Inlet. On the east side of the inlet, an existing pad at the KPL Tank Farm and the KPB Pole Island parcel will be used to stage construction equipment and supplies. No materials will be staged on the beach or along the pipeline right-of-way. The staging areas are located in uplands and each will measure approximately 250 feet long by 500 feet wide (2.9 acres). The KPB Pole Island parcel is approximately 1-acre.

**Material Sites:** On the west side of Cook Inlet, the existing, permitted 1.5-mile pit will be used for sand and gravel as needed for construction. On the east side of Cook Inlet, an existing commercial operation will be contracted to provide sand and gravel as needed.

28. Size, number, approximate location and planned duration of field camp.

No field camps will be used.

**Kustatan:** Construction personnel will be housed at existing facilities located at the Kustatan Production Facility.

**Cook Inlet:** Key construction personnel will be housed on the lay barge and support vessels. Most of the construction shift workers will be billeted in Nikiski and transported to the lay barge via support vessels during crew change-out.

**Nikiski:** Construction personnel will be hired locally if possible. Others will be billeted at existing commercial facilities.

29. Size, number and approximate location of housing for personnel operating or maintaining the pipeline:

The pipeline will be operated and maintained by existing personnel.

On the west side of Cook Inlet, operations and maintenance personnel are housed at West MacArthur River Camp. The camp accommodates up to 70 people. On the east side, workers provide their own local housing in or near Nikiski.

30. Size, number and approximate location of health care facilities:

Central Peninsula General Hospital is located nearby in Soldotna, and 911 Emergency Medical Services (EMS) is available in the project area. EMS has highway, coastal, and helicopter response capabilities. Auxiliary health care is provided by the Nikiski Fire Department/EMS. Other health care professional services are available in Kenai and Soldotna. The lay barge will have medic services and a helipad to facilitate transporting emergency patients to the Central Peninsula General Hospital.

31. Approximate number of persons to be employed during construction:

Approximately 130 construction jobs will be filled.

32. Approximate number of persons to be employed to operate and maintain the pipeline:

Approximately 8 additional field personnel and four office personnel will be required to operate and maintain the pipeline.

33. Planned commencement date for construction:

February 2014.

34. Estimated construction time:

**Proposed Construction Schedule:** Construction of the pipeline is scheduled for February through October 2014. Clearing of the Kustatan Point ROW will take place in late fall 2013. The seafloor portion of the pipeline will be laid beginning in May 2014 to avoid conflicts with commercial and set net fishing. The HDD will be installed prior to the seafloor pipeline in February through August 2014. The remaining onshore portions will be installed beginning in February and continue through October 2014. Hydrostatic testing will occur immediately after installation.

35. Planned commencement date for operations:

Between August and October 2014.

36. Estimated cost of materials:

\$15,000,000 million

37. Estimated cost of construction and installation:

\$35 million

38. Estimated annual cost for operations and maintenance:

\$5.2 million per year

PART III  
AVAILABILITY OF INTERCONNECTIONS, TERMINAL FACILITIES AND  
STORAGE FACILITIES

39. Describe how the proposed pipeline will connect with planned field gathering systems, if any.

Not applicable.

40. Discuss the technical and economic feasibility of providing connections with other field gathering systems at intermediate points along the proposed pipeline.

Not applicable.

41. Discuss the technical and economic feasibility of providing connections or interchanges with other pipelines at intermediate points along the proposed pipeline.

Not applicable.

42. Describe the location, area and capacity of proposed tank farms or other storage facilities.

Not applicable

43. Provide locations of and describe any terminal delivery facility of the proposed pipeline.

Not applicable.

44. Discuss the technical and economic feasibility of providing delivery facilities at intermediate points along the proposed pipeline.

Not applicable.

PART IV  
SAFEGUARDS FOR PERSONS, PROPERTY, THE PUBLIC, AND THE ENVIRONMENT

45. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause a hazard to the safety of workers on the pipeline project.

A Safety Plan will be developed and administered which will be applicable to all workers involved in the project. The Safety Plan will describe potential hazards, mitigation, emergency response procedures, points of contact, and will detail the procedures to be followed in case of the following:

- Injury and illness
- Fatality
- Fire and explosion
- Pipeline rupture and emergency
- Oil and hazardous material spill
- Earthquake
- Other events requiring immediate response and mitigation

The Safety Plan will empower workers with a Safety First attitude, and enable workers to recognize and abate hazardous conditions. All local, state, and federal safety codes, Occupational Safety and Health Act (OSHA), and contractor's guidelines regarding safety will be followed.

46. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause a hazard to the public health and safety.

Pipeline integrity and spill prevention is essential to the success of this project and to the public health and safety. The project has begun development of an Oil Discharge Prevention and Contingency Plan (C-Plan) for the Trans-Foreland Pipeline Project. Incident Command System management for responding to oil spills will be used, and the C-Plan will describe onshore, offshore, and seasonal response capabilities.

In the case of a leak, pipeline operation will shut down immediately, and appropriate agency notification will be made. Cook Inlet Spill Protection and Response, Inc. (CISPRI), the primary spill response contractor in Cook Inlet, will be contacted in case of an in water oil discharge. The cause of the incident will be identified, and repairs will be affected after regulatory approval. Spill containment and mechanical cleanup will begin as soon as possible. Spill response equipment is currently staged at Nikiski, West McArthur River Unit facility, and the Osprey Platform.

The pipeline is being designed to avoid hazards to public health and safety. The pipeline will be equipped with a leak detection system and a cathodic protection system to prevent corrosion. The pipeline will be constructed of heavy-walled (0.5 inch thick), fusion bonded epoxy coated pipe. The design includes a launcher and receiver capable of handling state-of-the-art in-line inspection (ILI) tools as well as a variety of maintenance tools. These features will be used to prevent pipeline operation from causing or threatening to cause a hazard to the public health and safety.

Based on consultations with the Southwest Alaska Pilots Association (SWAPA), who regularly operate vessels in Cook Inlet waters, and the U.S. Coast Guard (USCG), the proposed ROW provides a 2.3 mile buffer zone between the OSK, KPL, Agrium, and ASRC docks. The pipeline route was chosen to avoid the risks associated with anchoring procedures of the ships calling at these docks.

The offshore pipeline construction contractor will design a barge anchoring system to accommodate Cook Inlet's extreme currents and large tidal fluctuations. Support vessels will remain on site for the duration of construction.

SWAPA and USCG have been and will continue to be routinely consulted during construction planning and execution. USCG will inspect all of the construction and support vessels prior to the beginning of pipeline installation. USCG has indicated they will likely have a vessel standing by the project area and will provide notices



to local mariners indicating the position of the construction and support vessels.

Pipeline installation along roadways will be carried out with the assistance of a traffic control plan. The plan will indicate all necessary signage and will be designed to Alaska Department of Transportation and Public Facilities (ADOT&PF) standards. ADOT&PF will provide a ROW permit for installation of the pipeline within the ROW of Kenai Spur Road. The Kenai Peninsula Borough (KPB) owns the Pole Island Gravel Pit where the Nikiski HDD will be installed. All regulations for working within the ROW will be included in traffic planning.

47. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause serious and irreparable harm or damages to public or private property.

See No. 26 and No. 46, leak detection and prevention.

The C-Plan contains a response action plan and provides details on the emergency action checklist, reporting and notification, safety, communications, deployment strategies for onshore and offshore spill response, and non-mechanical response information. The Prevention Plan describes programs for prevention training, security, piping corrosion control, leak detection, emergency tow and escort vessels, and crude oil transmission pipelines. Limitations to response operations include weather, wind, visibility, sea state, tides, currents, daylight, ice and debris.

Immediate response actions will be taken by the facility supervisor as described in the C-Plan. Immediate protection of public and private property response will be evaluated on a case-by-case scenario. The priority is to eliminate the source of the spill, contain the spill, and initiate mechanical cleanup. Emergency containment and control measures will be used to minimize migration of oil.

Interested federal and state agencies will be included in discussions of the leak detection capabilities for the proposed pipeline to ensure that the design meets the requirements of those regulations.

48. Describe your plans to detect and abate any condition possibly arising from the construction, operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause serious and irreparable harm or damages to vegetation or timber.

See No. 26 and No. 46, leak detection and prevention.

The onshore portion of the proposed ROW follows existing disturbed road and pipeline corridors. Construction, operation, maintenance, or termination of the proposed pipeline is not expected to cause long-term impacts to vegetation. No timber is present within the ROWs. Any ROW disturbance caused by heavy equipment will be mitigated by construction techniques (see No. 22, construction methods). Immediate response actions will be taken by the facility supervisor as described in the C-Plan.

Immediate protection of vegetation and timber will be evaluated on a case-by-case scenario. The priority is to eliminate the source of the spill, contain the spill, and initiate mechanical cleanup. Emergency containment and control measures will be used to minimize migration of oil.

49. Describe your plans to detect and abate any condition possibly arising from the construction operation, maintenance or termination of all or any part of the proposed pipeline that may cause or threaten to cause serious and irreparable harm or damages to fish or other wildlife or to their habitats.

See No. 26 and No. 46 leak detection and prevention.

Construction has been timed to avoid and minimize contact with commercial fisheries and periods of high beluga

whale use of the project area.

Immediate response actions will be taken by the facility supervisor as described in the C-Plan.

Immediate protection of fish, wildlife, and their habitat will be evaluated on a case-by-case scenario. The priority is to eliminate the source of the spill, contain the spill, and initiate mechanical cleanup. Emergency containment and control measures will be used to minimize migration of oil.

50. Describe your plans for restoring areas of vegetation or timber damaged or harmed directly or indirectly by the construction, operation, maintenance or termination of all or any part of the proposed pipeline.

The onshore pipeline will be constructed in previously disturbed, existing ROWs. No timber is present along the ROW. Vegetation disturbances during construction, operations, maintenance or termination will be restored by segregating and preserving, to the extent possible, the topsoil during pipeline trenching. After the trench is backfilled, the area is contoured to match local topography. The segregated topsoil will be mounded over the trench to account for settling. Fertilizer will be used on the topsoil to facilitate rapid growth of the preserved seed bank.

If soil is removed during a cleanup action, clean fill will be brought in to restore the area to pre-spill contours. Hydro-seeding will be used to stabilize the soil and facilitate revegetation.

51. Describe your plans for abating erosion and restoring areas eroded as a direct or indirect result of the construction, operation, maintenance or termination of all or any part of the proposed pipeline.

See No. 50.

Native vegetation in the project area will be encouraged to re-colonize the pipeline ROW with the use of fertilizer. A project Storm Water Pollution Prevention Plan will be developed to outline techniques used to control erosion from storm water. The project will conduct pipeline installation and any other soil disturbing activities during operation, maintenance, and termination under an Alaska Pollution Discharge Elimination System (APDES) Construction General Permit. Slopes with erosion potential, if any, will be hydro-seeded.

52. Describe your plans for quality control and your procedures for inspection and testing the pipeline, both during and after construction.

All pipeline field welds will be radiographically or ultrasonically examined. The pipeline will be hydrostatically tested in accordance with 49 CFR 195 and ASME B31.4. The line will be designed to accommodate ILI tools. An integrity management plan will be developed in accordance with 49 CFR 195. The cathodic protection system will be designed in accordance with 49 CFR 192.463 and the guidelines in NACE RP0169-96 and the electrically isolated in accordance with requirements in 49 CFR 192.467 and NACE RP0286-97.

Two wire potential test stations will be located at specified intervals along the pipeline route. Four wire current span test stations will be installed at each end, the midpoints, and at specified intervals along the pipeline route. Where the pipeline crosses other conductive objects or utilities, or passes through an insulated area or fitting, additional test stations designed specifically for that configuration will be installed. Separate test stations shall be provided where bonding between metallic structures is needed.

Conductive connections to the pipeline will be strictly controlled. The deep well anode beds will be installed in a drilled hole at depths based on the soil strata observed during installation. Use NACE Standard RP0572-95 to design deep anode beds. The anodes will be based upon cast high-silicone chromium iron center-connected tubular anodes. Rectifiers will be used at each deep anode bed. For monitoring and controlling the output of individual anodes, junction boxes with slots for each anode will be used. Venting of the anode bed is required.

To achieve low-resistance grounding, the pipeline will be electrically isolated from infrastructure such as electrical

cables and ground grids, instrumentation and controls, wiring, associated raceways, piling systems, and reinforced concrete fabrications. Valves will be individually grounded. Piping into and out of operating facilities will be isolated. To minimize the hazard of the isolated pipeline becoming a good conductor of induced currents, the pipeline will be grounded.

An isolation system will be installed to control stray electric currents in the pipeline, and facility piping systems. The isolation system will also increase the cathodic protection system effectiveness and confine or eliminate electrolytic corrosion. Isolation joints will be installed at above ground tie-ins as required. Belowground isolation requires prefabricated isolation joints meeting the requirements of 49 CFR 192 and ANSI B31.8.

53. Describe your plans to ensure compliance by your contractors and subcontractors with the safeguards and stipulations of the right-of-way lease, if issued.

Contractors will be required to submit an execution plan. The plan will have a section addressing lease stipulations. The Person in Charge will be briefed on ROW lease stipulations and safeguards, and charged with enforcement. The lease will be placed on display on the lay barge at the onshore construction site with other permits. Contractors and subcontractors will also be held responsible to maintaining the responsibilities stated in the lease. Compliance monitoring and inspections will occur periodically during construction. Failure to follow the terms of the lease by contractors and subcontractors may be grounds for dismissal.

PART V  
SPECIAL SAFEGUARDS FOR NATIVES AND OTHERS SUBSISTING ON THE BIOTIC  
RESOURCES OF THE GENERAL AREA OF THE PROPOSED RIGHT-OF-WAY

54. Describe your plans and procedures to protect the interests of individuals living in the general area of the proposed right-of-way who rely on the fish, wildlife and biotic resources of the area for subsistence purposes.

Subsistence fisheries were considered when construction timelines were developed. The subsea portions of the pipeline will be constructed beginning in May to avoid and minimize impacts to subsistence fisheries. Onshore construction will commence in February and continue through October 2014. HDD installation of the pipeline on the Nikiski side will be used to avoid impacts to the set net fisheries. The Kustatan portion of the ROW is on private property and leased property, and hunting does not occur in the area. The Nikiski portion of the ROW is within developed pipeline and road ROWs, and hunting does not occur in the area.

PART VI  
FINANCIAL INFORMATION

55. Describe the probable financing requirements for the proposed pipeline.

The Trans-Foreland Pipeline Project believes it will need to attract shipping commitments of approximately 4,000 bbls per day to make the tariff competitive with the existing CIPL system. However, given the increased operational reliability and environmental benefits offered by this line the project may be viable at lower throughput levels.

56. Attach an annual financial statement and balance sheet for each applicant, prepared in accordance with generally accepted accounting principles for each of the applicant's three fiscal years immediately preceding the date of this application. The financial statement must be certified by a firm of reputable and independent Certified Public Accountants.

Please see attached Tesoro Financial statements.

PART VII  
OTHER INFORMATION

57. Name and address of the proposed general contractor(s) for constructing the pipeline:

Two potential construction contractors have been consulted and are being considered for pipeline installation. They are listed below. Other potential contractors will be consulted and considered for the project.

Price Gregory and CONAM Construction  
301 W. Northern Lights, Suite 300  
Anchorage, AK 99503

Subsidiary  
Bisso Marine  
11313 Neeshaw Dr.  
Houston, TX 77065

and

NANA Construction  
1800 W 48th Avenue  
Anchorage, Alaska 99517

Subsidiary  
GIS Oilfield Contractors  
18838 Highway 3235  
Galliano, LA 70354

58. Name and address of the proposed operator of the pipeline:

Trans-Foreland Pipeline Company LLC

19100 Ridgewood Parkway, San Antonio, TX 78259

59. Other information you believe may aid in the consideration of this application.

See attached Project Description.

See attached Project Description and Basis of Design

APPLICATION FEES ARE AS FOLLOWS:

Less than 50 miles -\$500.00  
More than 50 miles -\$1,000.00