



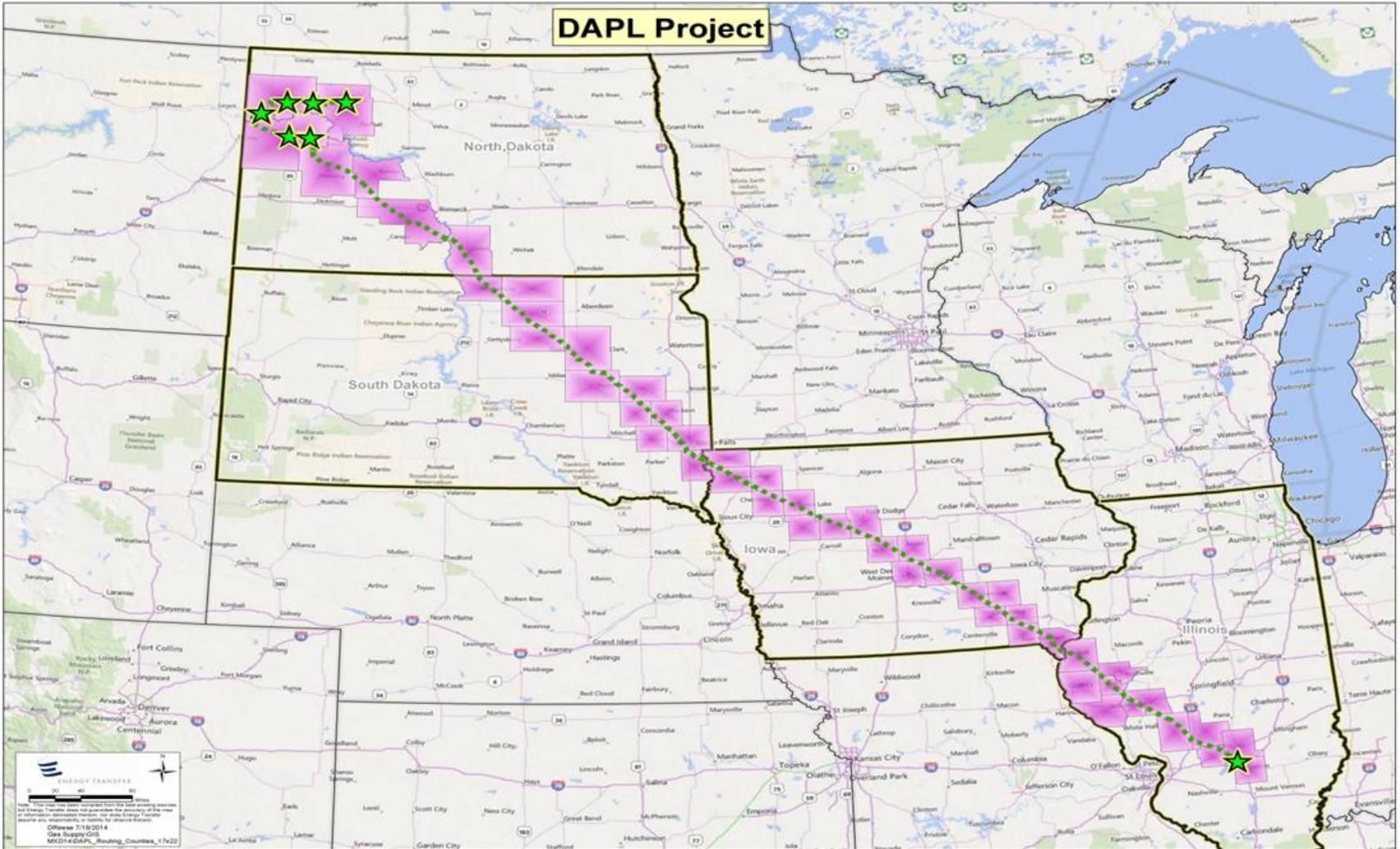
**Dakota Access, LLC  
Crude Oil Pipeline Project  
Iowa Informational Meetings**



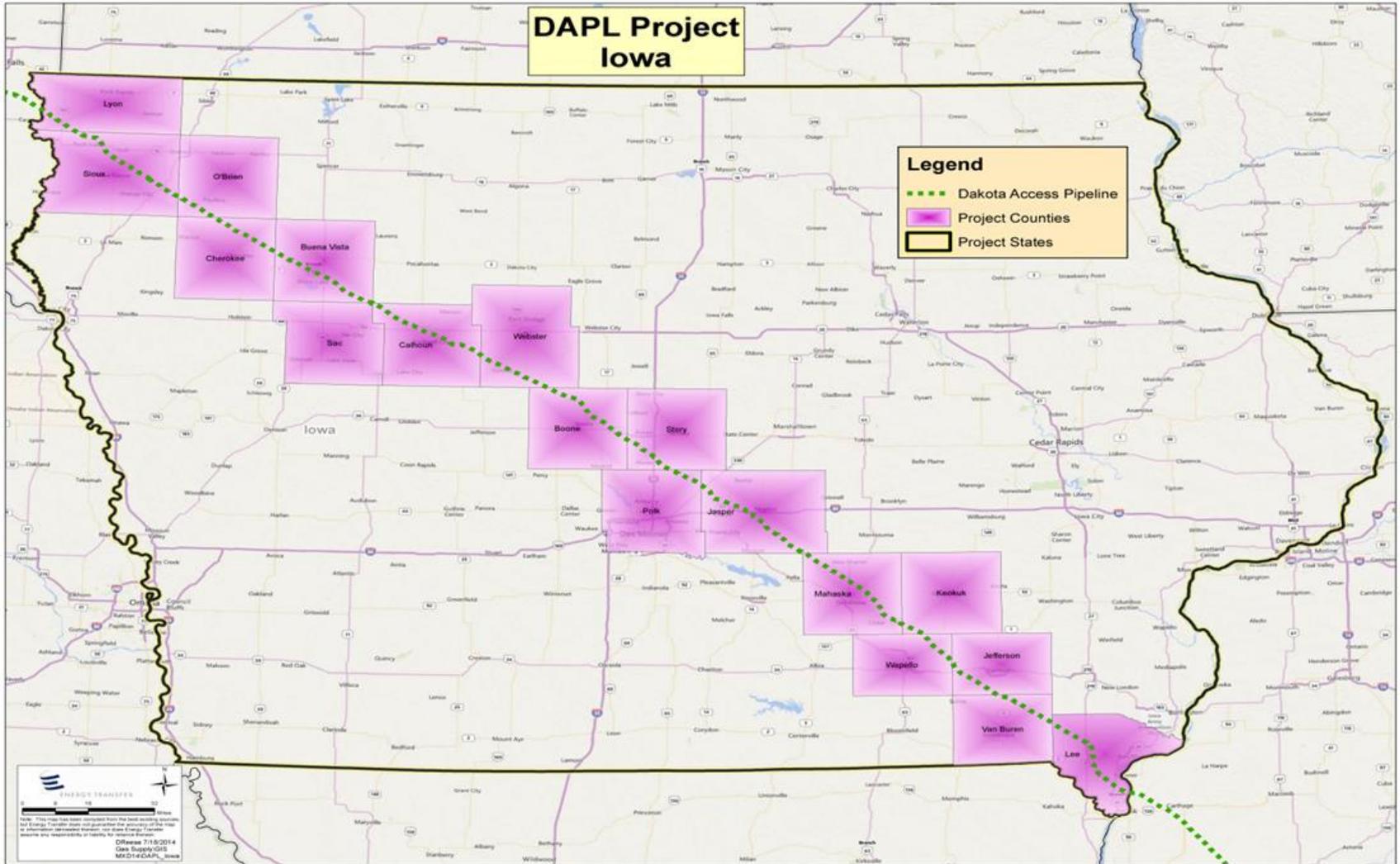
# Agenda

- **Project Overview**
- **Project Benefits to Iowa**
- **Project Purpose and Need**
- **Project Commitments**
- **Project Footprint**
- **Facility Requirements**
- **What Landowners Can Expect**
- **Project Iowa Permitting Timeline**
- **Conclusion**

# Project Map



# Iowa Project Map



# Project Overview



- **New Pipeline to Deliver 100% Domestically Produced Crude to U.S. Refineries.** 1,134 mile pipeline system to safely carry up to 570,000 barrels per day of U.S. light sweet crude (450,000 bpd initially) from rapidly expanding Bakken and Three Forks production areas through the states of North Dakota, South Dakota, Iowa and Illinois terminating at a crude oil hub near Patoka, Illinois
- **Pipeline Details in Iowa.** 343 miles of 30-inch diameter pipeline and one pump station carrying U.S. crude oil to interconnect with existing pipelines in Illinois for shipment to processing facilities and refineries in the Midwest and the Gulf Coast to reach U.S. customers
- **Right of Way.** The pipeline will parallel existing pipelines, power lines, or existing roads where possible.

# Project Benefits



- **\$3.8 Billion Investment Into the Overall US Economy**
  - \$1.04 billion Iowa capital investment (\$630 million direct spending)
  
- **Provide Valuable Tax Dollars for Short- and Long-Term.** The pipeline will translate into millions in state and local revenues during the construction phase, including sales and income tax payments and local property tax payments. These tax dollars can be used to support schools, hospitals, emergency services and other critical ongoing needs.
  
- **Greater Economic Benefit Along Iowa Route in Local Taxes/Payments Made**
  - \$27.4 million per year estimated Iowa property (ad valorem) taxes – long-term benefit
  - \$49.9 million estimated Iowa sales/income taxes during construction
  - \$35.3 million direct and indirect benefits from pipeline construction via goods and services
  - \$60 million estimated income to residents via permanent right-of-way/easement compensation
  - \$129 million estimated income to residents via temporary easement and damage compensation

# Project Benefits



- **Up to 12,000 American Jobs along the Route.** Millions of hours of labor will be needed during the construction phase, putting welders, mechanics, electricians, pipefitters, heavy equipment operators and others within the heavy construction industry to work.
- **Approximately 4,000 Construction Jobs in Iowa.** Dakota Access will support Iowa construction and service jobs (to support construction workforce) largely filled with local, highly trained and skilled and best in class labor from the various Union Halls.
  - **Estimated construction labor income in Iowa - \$390 million**
  - **Estimated Iowa state individual income taxes - \$14.6 million**
  - **40 to 50 permanent jobs along the entire pipeline route (approx. 15 in Iowa with estimated Iowa labor income of \$1.7 million and Iowa state individual income taxes - \$85,000)**
- **Majority of Pipeline Purchased, Manufactured and Assembled in the U.S.** This will contribute an estimated \$1 billion in direct spending to the U.S. economy. There will also be increased demand for those who manufacture the steel pipes, fittings, valves, pumps and control devices necessary for a major pipeline.
  - All mainline pumps will be assembled and packaged in the United States, 57 percent of the pipe itself will be manufactured in the U.S. and the majority of the remaining major materials will be purchased, manufactured or assembled in the United States



# Project Purpose and Need



- **Improves Overall Safety to the Public and Environment.** The Dakota Access Pipeline will reduce crude oil shipped by truck and rail, increasing public safety. Pipelines are the safest and most efficient means to transport crude oil, according to statistics published by the U.S. Department of Transportation.
- **Increase America's Energy Independence. 100% Domestic produced crude supports 100% domestic consumption.** Dakota Access has a planned capacity of 570,000 barrels per day that will provide a long term safe, reliable and efficient pipeline way to move crude oil from the Bakken and Three Forks to market. Every barrel of oil produced in the United States directly displaces a barrel of sometimes unreliable foreign oil.
- **Provide Reliable Transportation Network for Crude Oil from Bakken.** Gulf Coast and Midwest refineries will have better access to reliable U.S. crude oil production to meet U.S. consumer needs for gasoline, diesel fuel and other petroleum products.
- **Ease Transportation Constraints for Agricultural Product.** DAPL frees-up rail capacity for commodity crop transportation currently curtailed by crude oil cargos.

# Project Commitments



- **Construction Commitment.** Pipeline will meet or exceed all applicable requirements for safety systems and will be designed, constructed, operated and maintained in accordance with all applicable State and Federal standards and regulations.
- **Safety and Monitoring Commitment.** We will operate the pipeline safely and in a manner to protect the communities where we operate, the environment, and our pipelines to insure a safe and reliable pipeline system that the public and our customers can rely upon to deliver crude oil from the production region to market. The pipeline system will receive regular integrity testing and will be equipped with advanced technology including remotely monitored instrumentation and control devices and remotely actuated valves. It will be continuously monitored by full time pipeline control room operators and field operating/maintenance staff.

# Project Commitments



- We know your land is a valuable natural resource, and the care with which we treat land and topsoil is of our utmost priority – after all, it’s your livelihood.
- We will work to minimize any effects from land surveys and pipeline construction. We intend to work diligently to build a long-term partnership with landowners, seeking necessary permission for preliminary land surveys and developing easement agreements that meet landowners’ individual needs.
- If land, crops, drain tiles or anything else is damaged in the process, we will repair, replace, or compensate landowners and farmers for the damage – not only in the immediate year, but until corrected.
- We have hired Key Agricultural Services, Inc. and Duraroot plus other local and regional independent agricultural experts and independent auditors who will ensure our planning and work has the least impact on your land. These resources will be made available to you and to us to plan, construct across and then restore your property.



# Project Footprint



- **Right of Way.** The pipeline will parallel existing pipelines, power lines, or existing roads where possible. During construction, an additional 25–100 feet of workspace may be needed adjacent to a 50-foot permanent easement.
- **Pipeline Footprint.** The pipeline will be covered by a minimum of 36 inches of soil and more if it crosses under roads, rivers, lakes or streams. Buried under a minimum of 48 inches on agricultural land.
  - Drain tiles will be crossed with a minimum of 24 inches of separation between the pipe and the drain tile.
  - Topsoil will be segregated during construction to a minimum of 12 inches or in accordance with landowner requirements.
- **Survey Routing Analysis.** Civil, environmental and cultural resource surveys are underway. Routing, mitigation and reclamation planning underway for unique land forms. Analysis for pipeline to parallel existing corridors and avoid sensitive resources as much as possible. Avoidance of public and Native American land as much as possible.
- **Pump station in Story County.** Proposed to be electric motor driven and located in rural area to avoid impacts to the public.

# Facility Requirements



## Pipeline Facilities to Be Constructed in Iowa

<b>COUNTY</b>	<b>APPROX. LENGTH</b>
Lyon County	10.55 miles
Sioux County	32.68 miles
O'Brien County	10.86 miles
Cherokee County	18.16 miles
Buena Vista County	28.41 miles
Sac County	0.32 miles
Calhoun County	30.77 miles
Webster County	19.11 miles
Boone County	25.44 miles
Story County (Pump Station)	14.37 miles
Polk County	8.57 miles
Jasper County	33.73 miles
Mahaska County	32.54 miles
Keokuk County	6.01 miles
Wapello County	10.89 miles
Jefferson County	15.05 miles
Van Buren County	15.92 miles
Lee County	30.04 miles
<b>Total</b>	<b>343.43 miles</b>

# What Landowners Can Expect



- **Next Steps.** Beginning after IUB Open House Meetings, Dakota Access personnel will begin contacting landowners in person (and by phone) and present a written offer for the permanent easement, temporary easement/workspace and anticipated impacts (including damages to crops).
- **Studying Comparable Sales of Farm, Non-Farm and Forested Properties.** Dakota Access will utilize findings from its Market Data Study incorporating state analysis information (by county) to include comparable sales of farm, non-farm and forested properties.
- **Payments to Landowners.** Dakota Access intends to make up to \$189 million in direct payments to landowners along the route for easements as well as damages.

# What Landowners Can Expect



- **Permanent Easement.** Dakota Access will seek to acquire a 50-foot permanent easement. Payments will be based upon the valuation per acre as presented on the following slide.
  - Payments will be made based on 100% of valuation
  
- **Temporary Easement.** Dakota Access may seek a temporary easement/workspace during construction of 35-100 additional feet depending upon site-specific conditions (e.g. wetlands, agricultural fields). Payments will be based upon the valuation per acre as presented on the following slide.
  - Payments will be made based on 50% of valuation
  
- **Crop Damage Payments.** Dakota Access will pay crop damages as a result of the pipeline, including:
  - 100% of crop loss for year one
  - 80% of loss for year two
  - 60% for year three

# What Landowners Can Expect



## ➤ Payments

### ➤ Easements

➤ As part of the landowner's rights, once an easement is executed, terms and conditions agreed upon and the money or payment for the easement finalized, the landowner has 7 days to cancel the terms of the deal (Iowa Code Section 479.B24). Therefore, Dakota Access will issue payment for easements within 7 days after both parties have agreed upon the terms and the cancellation period has terminated.

### ➤ Terms of cancellation

- Company will provide (in duplicate) a form that defines the terms of cancellation that can be used to notify Company of the termination, should the landowner wish to exercise those rights.
- Termination must occur in writing, sent via certified mail and be within 7 business days of agreement and signatures
  - 7 days does not include Saturday or Sunday
- Notice should be sent to DAPL's principal place of business
  - DAPL, 1300 Main Street, Houston, Texas 77002, Attn. Right-of-Way Department
- A landowner may only cancel or terminate an agreed upon agreement or deal within 7 days formally under the code one time

### ➤ Payments for Unanticipated Damages.

- While Dakota Access will make every effort to minimize impacts, unanticipated damages may occur for many reasons during the construction of the pipeline. This could include drain tile repairs, additional crop loss, fence repair or replacement, and injury or loss of livestock. This damage payment will be in addition to the anticipated damages paid at the signing of an easement.
  - Unanticipated damages will be payable to the landowner or in some cases directly to the tenant of the landowner and is generally paid at the completion of pipeline construction.

# What Landowners Can Expect



IOWA MARKET ANALYSIS per ACRE			
County	Maximum Market Price/acre	Average Market Price/acre	Median Market Price/acre
<a href="#">LYON</a>	\$ 16,000.00	\$ 13,158.33	\$ 13,068.00
<a href="#">SIOUX</a>	\$ 21,000.00	\$ 16,072.44	\$ 15,850.00
<a href="#">O'BRIEN</a>	\$ 16,000.00	\$ 12,407.11	\$ 13,125.00
<a href="#">CHEROKEE</a>	\$ 17,000.00	\$ 9,772.89	\$ 10,647.00
<a href="#">BUENA VISTA</a>	\$ 15,500.00	\$ 11,499.34	\$ 11,800.00
<a href="#">SAC</a>	\$ 15,500.00	\$ 9,616.33	\$ 9,875.00
<a href="#">CALHOUN</a>	\$ 13,500.00	\$ 10,474.89	\$ 10,147.00
<a href="#">WEBSTER</a>	\$ 12,500.00	\$ 9,623.03	\$ 9,776.50
<a href="#">BOONE</a>	\$ 13,000.00	\$ 9,530.12	\$ 9,618.00
<a href="#">STORY</a>	\$ 16,500.00	\$ 11,606.53	\$ 10,500.00
<a href="#">POLK</a>	\$ 14,500.00	\$ 11,570.36	\$ 12,440.00
<a href="#">JASPER</a>	\$ 16,000.00	\$ 8,471.94	\$ 8,592.50
<a href="#">MAHASKA</a>	\$ 16,000.00	\$ 5,997.16	\$ 5,124.00
<a href="#">KEOKUK</a>	\$ 12,000.00	\$ 7,009.86	\$ 7,139.50
<a href="#">WAPELLO</a>	\$ 12,000.00	\$ 5,288.88	\$ 4,418.00
<a href="#">JEFFERSON</a>	\$ 12,000.00	\$ 4,779.08	\$ 3,661.00
<a href="#">VAN BUREN</a>	\$ 12,000.00	\$ 3,432.79	\$ 2,874.00
<a href="#">LEE</a>	\$ 12,500.00	\$ 5,050.94	\$ 4,171.50



# Project Iowa Permitting Timeline



- **INITIAL MEETING w/ IUB STAFF** **JULY 29, 2014**
- **PROJECT INFORMATIONAL MEETINGS** **DECEMBER 2014**
- **PIPELINE PERMIT FILED** **JANUARY 2015**
- **PIPELINE PERMIT DECISION** **3rd QUARTER 2015**
- **PIPELINE CONSTRUCTION BEGINS** **Upon Permit Issuance**
- **PIPELINE PROJECTED IN-SERVICE** **4th QUARTER 2016**

# DAPL Commitment to Landowners



- **Treat all landowners with respect, honesty and integrity. It is our intent to live up to our promises during and after construction and throughout operations. At any time you do not feel we are living up to our obligations, please call 844-708-2635.**
- **Safety is DAPL's top priority for the landowners, and communities we cross and the customers we serve. We will operate the pipeline with the utmost level of integrity and safety at all times.**
- **Environmental protection and minimization of impacts to agricultural land are critically important to DAPL. We will avoid, then minimize and at last resort where impacts are unavoidable will mitigate and reclaim any impacts to environmental resources.**
- **For all agricultural areas, DAPL will protect the vital top soil, restore the land to preconstruction elevations and contours and will repair and replace any impacts to drain tiles or drainage systems traversed by the pipeline.**

