

# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 01/30/2013 Hours Worked : 9  
 Weather: Sunny Temp. Low 45 High 65  
 Owner/Operator: Transcanada/Keystone XL Spread 2  
 Contractor Michels

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop GPS Lat. / GPS Long. Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Traveled to Jacksonville, Texas and met with Kelly White (PHMSA Escort) at Michels construction yard. Reviewed welding procedures with Grant Bourgeon ( Chief Welding Inspector). Reviewed rejected weld repair records with Darrren Durda and HDD procedures with Kabir Elegba (site engineer) and Bernado Abrams . A Mr. Bob Campbell is the developer of the HDD procedures utilized by TransCanada. Traveled to M.P. 321 to observe lowering in and discovered activity was stopped due to earlier rain and were only pumping water out of ditch. Traveled to M.P. 328 and observed field automated coating. Observed heating, blasting and spraying of 20 to 25 mils of 2888 epoxy onto field joints. Expressed a concern that it appeared adequate inspection of the field joint to assure clean and bare metal was free of debris and blasting sand before spraying of field joint.

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop GPS Lat. / GPS Long. Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_  
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Observed Activity : \_\_\_\_\_  
 Station # Start/Stop GPS Lat. / GPS Long. Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_  
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Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature :      **Jim Arnold**

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Distribution : OPS Engineer  
                  OPS Field Agent

**EXHIBIT ONE(1)**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 01/31/2013 Hours Worked : 9  
 Weather: Sunny \_\_\_ Temp. Low 45 High 65  
 Owner/Operator: TransCanada/Keystone XL Spread 2  
 Contractor Michels  
 Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Traveled to M.P. 262 and observed hydro activities of a 21 mile segment of main line. All activities seemed to be following T/C's procedures. Questioned lead inspector about process of a 1 hour pre test of heavy wall bore pipe prior to lowering in and subjecting same pipe to a minimum of 8 hr test at a lower pressure. Was advised that this was their policy to determine any minor pin hole leaks in long seam and body of pipe joint before mainline test. Traveled to M.P. 239 to observe excavation and sitting activities for Winnsboro pump station.

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 02/06/13 \_\_\_\_\_ Hours Worked : 12 \_\_\_\_\_  
 Weather: Rainy \_\_\_ Temp. Low 50 \_\_\_ High 60 \_\_\_  
 Owner/Operator: TransCanada/Keystone XL \_\_\_ Spread 2 \_\_\_  
 Contractor Michels \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Escorted Mr. Tim Butters ( PHMSA associate Administrator) to observe New Construction Activities on Spread 2 (two) of the Keystone XL pipeline project. Stopped at M.P. 335 and 336. Most activities were being shut down due to rain. Walked along pipeline ROW to observe pre constructed main line pipe. Interviewed with lead welding inspector on site. Talked with AUT level 2 (two) technician about integrity of ultrasonic examination of field joint welds. Traveled to M.P. 369 to observe HDD of Neches River. Talked with drilling technician in drill control room about process. Traveled to Lufkin pump station and found activities were also stopped due to rain. Escorted Mr. Butters back to Dallas.

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** \_\_\_\_\_

**Additional Comments:** \_\_\_\_\_

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OPS Inspector's Signature :     **Jim Arnold**

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Distribution : OPS Engineer  
                  OPS Field Agent

**EXHIBIT ONE(1)**

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : February 26, 2013      Hours Worked :9  
 Weather:Sunny Temp.50s Low50s      High60s  
 Owner/Operator:Transcanada      SpreadSpread 2  
 ContractorMichel Construction

Observed Activity : Safety Training

Station # Start/Stop      GPS Lat. / GPS Long.      Appx. M.P.

<u>Winnsboro Office</u>	<u>Winnsboro Pump Station</u>	<u>n/a</u>
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Comments:  Took mandaotory Safety Training

Observed Activity :Hydrotest

Station # Start/Stop      GPS Lat. / GPS Long.      Appx. M.P.

<u>Beginning of Spread 2</u>	<u>n/a</u>	<u>195</u>
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Comments**Observed end of hydrostatic testing of section from MP 195 to Winnsboro Pump Station site. Testing was completed during the night time so didn't observe acutal test. Pipe was still filled with water and under a lowered pressure. Examined pipe for expansion of joints. Coating had no indications of cracking.**

Observed Activity:Pump station construction activities

Station # Start/Stop      GPS Lat. / GPS Long.      Appx. M.P.

<u>Winnsboro Pump Station</u>	<u>n/a</u>	<u>235</u>
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Comments: Crews were working on concrete pouring, conduit work and some welding. Both section 1 and 2 of the hydrotests were examined. Both headers were still exposed and showed no signs of expansion. Welding crews were welding per procedures.

Additional Comments:

OPS Inspector:**Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : February 27, 2013      Hours Worked :9  
 Weather:Sunny Temp.50s Low50s      High60s  
 Owner/Operator:Transcanada      SpreadSpread 2  
 ContractorMichel Construction

Observed Activity :Welding

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>Angelina River Xing</u>		<u>N/A</u>	<u>310</u>

**Comments: Welding was observed on pipe being used to cross under the Angelina River. The Pipe was concrete coated. Verified procedures were on hand. Procedure KXL-SMAW-ML2 was being utilized and verified during the welding. Jerry Davis and John Smith were the welding inspectors.**

Observed Activity :Angrlina River Crossing

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>Angelina RiverXing</u>		<u>n/a</u>	<u>310</u>

**CommentsExamined pipe being utilized for the river crossing. All pipe going under the river and wetland area was concrete coated. The river is approximately about 40 ft from bank to bank. Area had a lot of standing water due to recent rain. The contractor called it a wetland but not sure if it is an official wetland area.**

Observed Activity:Visited complaint area

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>CR 890 xing</u>		<u>n/a</u>	<u>318</u>

**Comments: Visited area in which Mr. Tucker complained about the mud/water runoff caused by the pile of dirt left by Transcanada and exposed ditch. Pipeline was already covered at location. There were no open ditches but there was still a lot of dirt piled next to ROW. There did seem to be some dirt runoff into Mr. Tucker's property, which is across CR 890. Talked to Mr. Tracy Hilburn and Mr. Dan Cerkoney and suggested that they place silt fencing or clean up ROW to prevent runoff of water and dirt into Mr. Tucker's property.**

Additional Comments:

OPS Inspector:**Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_



Distribution : OPS Engineer

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : February 28, 2013      Hours Worked :9  
 Weather:Sunny Temp.50s Low50s      High60s  
 Owner/Operator:Transcanada      SpreadSpread 2  
 ContractorMichel Construction

Observed Activity :Site Specific Safety Training

Station # Start/Stop      GPS Lat. / GPS Long.      Appx. M.P.

<u>Lufkin Pump Station</u>	<u>N/A</u>	<u>338</u>
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Comments: **Completed site specific safety training**

Observed Activity :Pipe examination and NDT records

Station # Start/Stop      GPS Lat. / GPS Long.      Appx. M.P.

<u>Lufkin Pump Station</u>	<u>n/a</u>	<u>338</u>
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Comments**Examined pipe, flanges, and valves for rating and coating conditions.Reviewed several xrays and repair records. Had about 20 xrays so far on station piping. Verified Mr. Hudgens Level II training/qualification record.**

Observed Activity:Automatic welding

Station # Start/Stop      GPS Lat. / GPS Long.      Appx. M.P.

<u>MP 355</u>	<u>n/a</u>	<u>355</u>
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Comments: **Observed automatic welding process at approximately mp 355. There were 3 hoods(bead passes, filler passes, and cap) utilized to complete each weld. Verified procedure being utilized at location and that were being followed. Inspector was checking pre heat, speed, and settings. Welding procedure being utilized was WPS APO153 rev.2**

Additional Comments:

OPS Inspector:**Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer

# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 08/14/2013 \_\_\_\_\_ Hours Worked : 9 \_\_\_\_\_

Weather: \_\_\_\_\_ Temp. Low \_\_\_\_\_ High \_\_\_\_\_

Owner: TransCanada/ Keystone XL \_\_\_\_\_

Contractor: \_\_\_\_\_

Observed Activity : Pump stations hydro records.

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

(SPREAD 2)

**Comments** Traveled to MP 195.0 to PS #36 and observed three valve assembly off mainline for future station. No expansion issues observed. Traveled to Winnsboro PS #37 at MP 239. Reviewed both low and high pressure piping hydro test documentation. Suggested more information on actual chart recordings. i.e. MFG #, Serial #, etc. etc. Operator had documentation sheets for this information but did not transfer to the actual test recording charts. Pump Station piping about 99% complete. Insulation being installed on above ground piping. No evidence of pipe expansion. Traveled to Tyler PS #38. Reviewed hydro test packet. No documentation to prove instruments used to record activity was actual instrument used. Certification sheets instruments were in packet, but not recorded on charts. Advised to use better documentation in the future.

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 08/15/2013 \_\_\_ Hours Worked : 9 \_\_\_

Weather: \_\_\_ Temp. Low \_\_\_ High \_\_\_

Owner: TransCanada/Keystone XL \_\_\_

Contractor: \_\_\_\_\_

Observed Activity : Pump stations hydro records.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments Reviewed Hydro test of both high pressure and low pressure above ground piping subjected to hydro test at Lufkin PS # 39. Records were adequate and observed no evidence of expanded pipe. Reviewed hydro packet for Corrigan PS #40 . Records were adequate. Station consisted of three valve cluster off mainline for future PS. Observed MLV setting off highway 190. No evidence of pipe expansion and was being equipped for automation of valve actuators.

(SPREAD 2)

(SPREAD 3)

Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 10/30/2013 \_\_\_\_\_ Hours Worked : 9 \_\_\_\_\_

Weather: \_\_\_\_\_ Temp. Low \_\_\_\_\_ High \_\_\_\_\_

Owner: TransCanada/Keystone XL \_\_\_\_\_

Contractor: Michels \_\_\_\_\_

Observed Activity : Anomaly and DCVG digs \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

(SPRINT 2)

**Comments** Interviewed Cathodic Protection Crew about overall program. I was advised the plan had been submitted to PHMSA. The line is currently being protected by temporary anodes until project has been commissioned and then will be protected by impressed current. Observed anomaly dig #GC-1-140000058 @ MP 133.72. This anomaly did not require a cut out. Observed DCVG dig #235 @ MP 153.8. Discovered lots of rock damage spots on upper half of pipe. After further examination it was determined to excavate pipe back in both directions until clean pipe was discovered. Pipe was lightly blasted and recoated. Jeeping procedures showed no more anomalies and line was backfilled. \_\_\_\_\_



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Observed Activity : \_\_\_\_\_

Station # Start/Stop

GPS Lat. / GPS Long.

Appx. M.P.

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_



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Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

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Comments: \_\_\_\_\_

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Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
                  OPS Field Agent

**EXHIBIT ONE**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 02/19/2013 Hours Worked : 10

Weather: Clear Temp. Low 45 High 65

Owner/Operator: TransCanada/Keystone Pipeline Spread 3

Contractor Sunland/RWCI

Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Traveled to Sour Lake, Texas field office and met with Ken Perque (PHMSA Escort). Traveled to End of Keystone Pipeline At Nederland, Texas. The line will enter the property of Sunoco Logistics for delivery to them. Reviewed Sunoco and Mersac safety films for future access to job site. Met with Tim Dowd (site construction lead) for T/C and received a copy of contacts for the station construction which will use Ron Williams Construction. Traveled to station 25004+90 to observe HDD activities of Hildebrant Bayou area. This is an approximate 4700' drill. Traveled to South side of drill site to observe ARO coated pipe to be used for the pull back under the bayou. The pipe had been previously welded and field coated. Don't know if hydro had been performed yet.

Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 02/20/13 Hours Worked : 9  
 Weather: Cloudy Temp. Low 40 High 55  
 Owner/Operator: Trans/Canada/Keystone Pipeline Spread 3  
 Contractor Sunland

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Traveled to Construction site for Liberty Pump station (PS41) to observe activities related to pump station . M.P 435.52. All pillings had been driven, dirt work complete. Pump sumps were excavated and electrical supplier was building construction power station for project. Traveled to Goodrich, TX area to observe pipe gang activities, welding, coating, tie-ins and lowering in. Traveled to Sunland/TC construction yard to review welding procedures with Mr. LeBlanche. Seems contractor is still experiencing high weld reject issues. Reviewed coating procedures with coating inspector.

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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**OPS Inspector's Signature : Jim Arnold**

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : March 18, 2013                      Hours Worked :9  
 Weather:Sunny Temp.60s Low60s                      High60s  
 Owner/Operator:Transcanada                      SpreadSpread 3  
 ContractorSunland Construction

Observed Activity :Bending

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>24905+25</u>	<u>Terrel Park Rd</u>	<u>n/a</u>

**Comments: Crew was setting up for bending activities. The site is the end of a HDD. Inspector was on site and observing handling of pipe.**

Observed Activity :HDD

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>Port Author HDD</u>	<u>_____</u>	<u>_____</u>

**CommentsCrew was filling HDD pipe for pre-drill hydrotest. Water was being pumped in from a creek and would take approximately 24 to fill. Inspected pipe for any coating damage. All pipe had ARO coating. The HDD is going under Hwy 93, and RR tracks. Its approximately 3500 ft long.**

Observed Activity:

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>_____</u>	<u>_____</u>	<u>_____</u>

Comments: \_

**Additional Comments:**

**OPS Inspector:Agustin Lopez**

**OPS Inspector's Signature : \_\_\_\_\_**

Distribution : OPS Engineer

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : March 19, 2013                      Hours Worked :9  
 Weather:Sunny Temp.60s Low60s                      High60s  
 Owner/Operator:Transcanada                      SpreadSpread 3  
 ContractorSunland Construction

Observed Activity :Safety Training

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>Nederland Station</u>	_____	_____	n/a

Comments: **\_ Watched safety videos at the Sunoco Plant tie in.**

Observed Activity :Concrete pouring

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>Nederland Station</u>	_____	_____	_____

Comments**The contractor inside the Sunocoe Plant is Ron Williams. Tim Dowd is Transcanada site lead. Crew was preparing concrete support boxes with rebar for concrete pouring. Crew has not started on pipeline activities. The pipe will tie into two break out tanks that are owned by Sunoco. Sunoco personnel are working on tanks and preparing for operation. They are being taken out of service for an internal inspection.**

Observed Activity:HDD Pipe examination

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>Brad Miller Park</u>	_____	_____	_____

Comments: **\_HDD pipe is in place and ready for hydrotest and pull. Examined pipe for any coating damage. All pipe has ARO coating. The HDD will be going under pipelines and RR tracks next to Dow, Air Liquide and Sunoco Plants**

Observed Activity :Welding

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
<u>Farnett Rd Xing</u>	_____	_____	n/a

Comments: **\_ Crew was repairing welds on HDD pipe. The welder was Willie Ledet. Qualification record was verified. Procedure being used was KXL-SMAW-PRP. Welding inspector on site was Jason Moore. Readings were being taken to assure welder was within limits.**

Additional Comments:

OPS Inspector: **Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : March 20, 2013                      Hours Worked :9  
 Weather:Sunny Temp.60s Low60s                      High60s  
 Owner/Operator:Transcanada      SpreadSpread 3  
 ContractorSunland Construction

Observed Activity :Review Welding Records

Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

Livingston Office		n/a
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**Comments:** Reviewed welding records due to concern on high repair rates. Alan Leblanc is the Senior Welding Inspector. I reviewed welding procedures: New and Old procedure, Repair Procedure and Partial Repair Procedures. Reviewed AUT and RT records. Verified welder qualifications. There is a concern with the high reject rate on repairs. The current rate is at 22% which is very high. Some welders have been let go due to high repair rates and some have left for other jobs. There is no pattern as why there is a high repair rate. PQR's weren't available at the Livingston Office. I was told that they are kept by Transcanada.

Observed Activity :Jeeping/ pipe lowering

Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

Hwy 190 Xing		
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**Comments**The crew was jeeping the pipe that was going to be lowered into the ditch for a tie in weld. Jeeping was being performed per procedure. Inspector was on site verifying jeeper settings. Crew was waiting for coating to dry to lower pipe.

Observed Activity:Jeeping

Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

HWY 146 2 <sup>nd</sup> xing		
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**Comments:** Crew was jeeping pipe before backfilling ditch. Jeep settings were verified. Crew was using epoxy gun to make coating/holiday repairs an applied with a brush. Areas were being preheated before epoxy was applied.

Observed Activity :

Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

		n/a
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Comments: \_

**Additional Comments:**

**OPS Inspector: Agustin Lopez**

**OPS Inspector's Signature :** \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : April 01, 2013                      Hours Worked :9  
 Weather:Rainy Temp.60s Low60s                      High60s  
 Owner/Operator:Transcanada                      SpreadSpread 3  
 ContractorSunland Construction

Observed Activity :Coating

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Terrel Park	Terrel Park Rd	n/a

**Comments: Observed girth weld coating. Spoke with foreman on coating application. They coat to 20-40 mils and do two coats on HDD pipe. They apply coating with brushes. Do not use spray on application. Checked thickness of coating with gauge to assure correct thickness. Go back 2" from weld exposure to assure good application of coating.**

Observed Activity :

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
_____	_____	_____

**CommentsConditions were very muddy and wet. Could not get around some areas due to getting stuck.**

Observed Activity:

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
_____	_____	_____

Comments: \_

**Additional Comments:**

**OPS Inspector:Agustin Lopez**

**OPS Inspector's Signature :** \_\_\_\_\_

Distribution : OPS Engineer

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : April 02, 2013                      Hours Worked :9  
 Weather:overcast              Temp.60s Low60s                      High60s  
 Owner/Operator:Transcanada              SpreadSpread 3  
 ContractorSunland Construction

Observed Activity :Drilling HDD

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Dupont Plant		n/a

**Comments: Observed drilling activities close to the Dupont Plant. The HDD is about 1400 ft going under some RR tracks and Plant property. Spoke with drilling foreman and inspector. Are drilling about 25 joints a day. They are reaming with a 36" bit. Drilling foreman was very knowledgeable on HDD procedures and methods.**

Observed Activity :Tie in weld

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Meeker Rd. Xing		

**CommentsTie in crew was setting up to perform tie in welds. Girth welds were also being coated. Crew had trouble setting up do to condition of ROW. Very muddy and wet.**

Observed Activity:Welding

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Hilldebrandt Rd. Xing		

**Comments: Observed welding of pipe. Welder had certifications and procedure. Crew had welds covered with tarp due to rain in accordance with procedures. During welding the welders had a canopy over them to protect from rain.**

Additional Comments:

OPS Inspector:**Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : April 03, 2013                      Hours Worked :9  
 Weather:Overcast/rainy      Temp.60s Low60s                      High60s  
 Owner/Operator:Transcanada      SpreadSpread 3  
 ContractorSunland Construction

Observed Activity :Review welding records

Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

<u>Livingston Office</u>	_____	n/a
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**Comments: Reviewed welding records at the Livingston office. Repair rate has decreased. There is no pattern or an obvious welder with higher repair rates. Welders with high repair rates have been let go or have quit the job.**

Observed Activity :Hydrotest records

Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

<u>Livingston Office</u>	_____	_____
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**Comments: Asked for hydrotest records but records are kept by Transcanada in Houston. TC has to review hydrotest records before making them official.**

Observed Activity:Caliper pig set up

Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

<u>MP371</u>	_____	_____
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**Comments: Visited location where caliper pig is going to be run. The headers were in place and crew was setting up to run pig. Conditions were very muddy so pig run was being delayed.**

**Additional Comments:**

**OPS Inspector:Agustin Lopez**

**OPS Inspector's Signature :** \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : June 17, 2013                      Hours Worked :9  
 Weather: Sunny Temp.90s Low70s                      High90s  
 Owner/Operator: Transcanada                      Spread Spread 3  
 Contractor Sunland Construction

Observed Activity : Girth Weld Inspection Digs

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Spread 3			Section 3-1

**Comments: Sunland is exposing approximately 100 girth weld that may have some coating damage due to welding spatter. During welding, there was no burlap cover used to protect pipe from weld spatter damage. During construction the inspector noticed the damage areas but nothing was ever done to repair the damage.**

Observed Activity : Girth weld inspection dig

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
19808+24			

**Comments Dig #3EMI-0040C this was a previous repaired area that was exposed on an earlier date to verify inspectors claims of the damage.**

Observed Activity:

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_

Additional Comments:

OPS Inspector: **Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : June 18, 2013                      Hours Worked :9  
 Weather:Sunny Temp.90s Low70s                      High90s  
 Owner/Operator:Transcanada                      SpreadSpread 3  
 ContractorSunland Construction

Observed Activity :Girth Weld Inspection Digs

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
19852+97			Section 3-1

**Comments: Dig # 3AMS065C- Girth weld was exposed and repairs were made to the coating due to welding spatter.**

Observed Activity :Girth weld inspection dig

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
19828+13			

**CommentsDig #3AMS-0015C observed coating inspector examine/evaluate pipe for coating damage. Damage to coating was found on the top half of pipe due to welding spatter. Inspector outlined areas that need repair.**

Observed Activity:

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_

**Additional Comments:**

**OPS Inspector:Agustin Lopez**

**OPS Inspector's Signature :** \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation**  
**Office of Pipeline Safety**  
**Daily Construction Inspection Report**

Date : June 19, 2013                      Hours Worked :9  
Weather:Sunny Temp.90s Low70s                      High90s  
Owner/Operator:Transcanada                      SpreadSpread 3  
ContractorSunland Construction

Observed Activity :Bending

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Hwy 3513 Xing	_____	_____

**Comments: Pipe was strung out ready for bending. Bending machine broke down so was getting repaired. Examined pipe for any coating damage.**

Observed Activity :Lowering pipe

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Hwy 347 Xing	_____	_____

**CommentsPipe was being lowered into the ditch. Examined ditch for condition of soil. Soil looked clean with no rocks, boulders, wood chunks or any trash. Pipe was being supported by booms to minimize stress on pipe.**

Observed Activity:Coating

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Hildebrant Road Xing	_____	_____

**Comments: Crew was coating girth welds. Observed activities to assure proper application of coating.**

Additional Comments:

OPS Inspector:**Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation**  
**Office of Pipeline Safety**  
**Daily Construction Inspection Report**

Date : June 20, 2013                      Hours Worked :9  
Weather:Sunny Temp.90s Low70s                      High90s  
Owner/Operator:Transcanada                      SpreadSpread 3  
ContractorSunland Construction

Observed Activity :HDD

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
	<u>Brooks Road Xing</u>		469

**Comments: HDD activities were being performed. The head was being attached in preparation for pulling the pipe. There were about 11 pipelines that were being crossed. Kinder Morgan representative was present as there line was being crossed. Soil/mud had no signs of rocky substance. The entire pull was approximately about 400 ft of pipe.**

Observed Activity :Pipe examination

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
	<u>Hwy 347 Xing-east side</u>		

**CommentsPipe was strung out. Examined pipe for coating damage and condition of pipe. Girth welds were coated with spray on application. Coating looked in good condition.**

Observed Activity:Bending

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
	<u>HWY 3514 Xing</u>		

**Comments: Bending machine was finally fixed and bending activities resumed. Engineer was on site to oversee bending activities.**

**Additional Comments:**

**OPS Inspector:Agustin Lopez**

**OPS Inspector's Signature :** \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : June 21, 2013                      Hours Worked :9  
 Weather:Sunny Temp.90s Low70s                      High90s  
 Owner/Operator:Transcanada      SpreadSpread 3  
 ContractorSunland Construction

Observed Activity :Running Scrubbing pigs

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Sec 3-2 &3			424.2

**Comments: Launcher has been welding on pipe for pigging activities. Two sections were being run at one time so approximately 40 mile section. Extrs compressors were brought in due to the first pig getting stuck. Pig may have been trapped due to dirty conditions inside the pipe. The plan was to run extra scrubbing pigs until line was clean enough to run deformation/caliper tool.**

Observed Activity :Anamoly Dig

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
Section 3-1			

**CommentsTwo anomaly digs were still under water. Crew was waiting for water to reside in order to resume digging operations.**

Observed Activity:

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_

Additional Comments:

OPS Inspector:**Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer

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**U.S. Department of Transportation**  
**Office of Pipeline Safety**  
**Daily Construction Inspection Report**

Date : 08/16/2013 Hours Worked : 9

Weather:      Temp. Low      High     

Owner: TransCanada/Keystone XL

Contractor: \_\_\_\_\_

Observed Activity : Pump stations hydro records.

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments** traveled too and observed Liberty PS #41 above ground piping that will be subjected to hydro test. This station is moth balled for approximately 30 days due to contractor was sent to Cushing station #32 to complete work for displaced contractor at PS #32. Will review hydro packet for station #41 at a later date. No evidence of pipe expansion observed. Station is about 90% complete. Observed EOL delivery station construction. Inspected meter station piping and surge relief line. Station is 60-705 complete. Station has not been hydro tested.

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 03/05-06/13 Hours Worked : 9  
 Weather: Clear Temp. Low 25 High 50  
 Owner/Operator: TransCanda/Keystone Spread 1  
 Contractor Wanzek/Matrix  
 Observed Activity : Breakout Tank Construction

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Traveled to Cushing, OK and met with Harold Anderson (PHMSA Escort) and Lance Johnson, site construction manager for T/C. Tried to review procedures used for construction of Breakout tanks with very little success. The procedures were extremely vague and was met with strong resistance to reveal documents. The documents requested and was told could not be reviewed were as follows: Copies of the following documents/information was requested but not provided to PHMSA during the recent construction inspection of the Keystone Gulf Coast Pipeline in Cushing, OK:

- Geotechnical report prepared by Terracon (API 650, Appendix B, B.2.1, IBR)
- Written specifications for construction of breakout tanks and associated piping (§195.202 Compliance with specifications or standards.).
- Soil compaction testing records (API 650, Appendix B, B.2.4, IBR)
- Tank design calculations showing the determination of shell course thicknesses, wind loading design, seismic design, etc. Matrix has developed a design package that has been provided to PHMSA for other breakout tank construction inspections and a similar set of calculations is what was requested (API 650, Section 5, etc., IBR).
- Construction drawings for Cushing, OK breakout tanks and associated piping (§195.202 Compliance with specifications or standards.).
- Concrete compressive strength tests for ringwall (§195.202 Compliance with specifications or standards.).

- Testing and inspection records for materials placed under breakout tank bottom including pH, chloride levels, etc. (API 650, Appendix B, etc., API 651, 5.3.2, IBR).
- Design provisions to ensure expected breakout tank settlement of tanks does not introduce attached piping stress to tanks or piping.
- Need copies Worley Parsons API 650 Oil Storage Data Sheet for each tank (§195.202 Compliance with specifications or standards.).
- Matrix welding procedure FC-014-1, 10/10/1996, Revision 21, 0718/2012 and PQR MS-03-127, semi-automatic welding, filler metal Kobelco Frontiarc 711 (API 650, Section 7.2, IBR).
- Matrix Weld Repair Procedure, Bechtel document 25472-175-V1G-G00z-00819, Revision 1, WRP-01 (Matrix Number) (API 650, Section 7, IBR).
- Concrete ringwall design calculations including design loading, bearing stresses vs. soil bearing capacity, uplift, bending, torsion, hoop stresses, reinforcing steel, etc., (API 650, Appendix B, IBR).
- Concrete ringwall design calculations showing adequacy due to eccentric loading, why shell was not centered on ringwall (API 650, Appendix B, B.4.2.2, IBR).
- Concrete ringwall design calculations showing justification for width of design without a footing (API 650, Appendix B, B.4.2.3 f, IBR).
- Calculations showing verification of sliding friction resistance (API 650, 5.3.1.2, IBR).
- Calculations showing seismic design considerations and justification (API 650, Appendix E, E.3.1, IBR).
- Calculations showing adequacy of floating roof design (API 650, Appendix C, IBR).
- Tabulation of weld failures, tabulation of weld failures by welder (API 650, Section 8, IBR).
- Radiographs taken in the first 10' of weld for each completed vertical joint butt weld for each welder for each type and thickness (API 650, 8.1.2.2, IBR).
- Radiographs taken in the first 10' of weld for each completed horizontal joint butt weld for each welder for each type and thickness (API 650, 8.1.2.3, IBR).
- Vacuum box test procedure and testing records (API 650, 8.6.2, IBR).

- Material certifications for all materials, including fittings, flanges, valves, piping, shell plates, floor plates, etc. (API 650, IBR, §195.202 Compliance with specifications or standards.).
- Cathodic protection design documents (specifications, drawings, etc.) for breakout tanks (§195.565 How do I install cathodic protection on breakout tanks?, API 651, IBR).
- Specifications and manufacturer's information on internal linings that will be used in the breakout tanks (§195.579 What must I do to mitigate internal corrosion?, API 652, IBR).
- Design documents for leak detection and subgrade protection (API 650, Appendix I, IBR).
- Hydrostatic test procedure (API 650, IBR).

**These documents were officially requested by PHMSA.**

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Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

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Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

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Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : **Jim Arnold**

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 03/07/13 Hours Worked : 9  
 Weather: Clear Temp. Low 29 High 55  
 Owner/Operator: TransCanada/Keystone XL Spread 1  
 Contractor Wanzek/Matrix  
 Observed Activity : ASME Code IX welder qualification

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Observed 4 welder qualification test for procedure # W2-863-ASME-SM-02,03 & 04. They were trying to test 8 welders today by watching 4 this AM and 4 this PM It should be noted that two of the first 4 busted out while I observed them. I didn't see the results of the other two or the other four in the afternoon. I left to travel back to Headquarters.

Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date :03-18-2013 \_\_\_\_\_ Hours Worked : 10 \_\_\_\_\_  
 Weather: Clear \_\_\_ Temp. Low 25 \_\_\_ High 50 \_\_\_  
 Owner/Operator: TransCanada/Keystone XL \_\_\_ Spread 1 \_\_\_  
 Contractor Matrix and Wanzek \_\_\_\_\_  
 Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Traveled to Cushing, OK and met with Harold Anderson PHMSA Escort, Erik Hughes Compliance Specialist with Keystone, and Kelly White, PHMSA Escort. Requested to see documents for project #08E4490 which satisfied request for written specifications for construction of beak-out tanks and associated piping per 192-202. These documents were allowed to be reviewed on site, but refused to allow them to leave the site. Reviewed RT/weld quality reports for tanks 1-7. Reviewed Worley-Parsons (engineering firm of records), Oil Storage Tanks Specs document #25472-100-3PS-MTFS-10-0001. Reviewed Matrix shell radiograph DWG 100-10G for job # 22w11-3792 reflecting radiograph of all vertical and horizontal shots. Requested Cathodic Protection design documents and was informed they had been sent to PHMSA on 03-16-2013. Reviewed Worley-Parsons TransCanada piping stress analysis design criteria document # 2547L-100-p6y-pp01-w001 and 25350-100-p6y-pp01-w001.

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** \_\_\_\_\_

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Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date :03-19-13 \_\_\_ Hours Worked : 1  
 Weather: Clear Temp. Low 45 High 55  
 Owner/Operator: Transcanada/Keystone XL Spread 1  
 Contractor Michels

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Traveled to Praque, OK and met with Harold Anderson, PHMSA Escort. Erick Hughes, compliance specialist, traveled with us to observe field activities of pipeline construction. Traveled to MP 74.70 to observe HDD operations of the Canadian River drilling activities on South side of river. Traveled to MP 77.50 and observed slick/wet bore of public road south of highway 1.

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report

Date :03-20-13 \_\_\_\_\_ Hours Worked : 9  
Weather: Clear Temp. Low 40 High 55  
Owner/Operator: TransCanada/KeystoneXL Spread 1  
Contractor Michels

Observed Activity : \_\_\_\_\_  
Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Enviromental protesters were due to arrive at Cushing on this day and was advised to not visit site. Traveled back to Headquarters.

Observed Activity : \_\_\_\_\_  
Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_  
Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

OPS Inspector's Signature : Jim Arnold



Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report

Date :03-21-13 \_\_\_\_\_ Hours Worked : 9  
Weather: Clear Temp. Low 40 High 55  
Owner/Operator: TransCanada/KeystoneXL Spread 1  
Contractor Michels

Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments: Enviromental protesters were due to arrive at Cushing on this day and was advised to not visit site. Traveled back to Headquarters.**

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\_\_\_\_\_

Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

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Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

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**Additional Comments:** \_\_\_\_\_

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 04/17/2013 Hours Worked : 9  
 Weather: Clear Temp. Low 55 High 70  
 Owner/Operator: Transcanada/Keystone XL Spread 1  
 Contractor Michels  
 Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Met Harold Anderson at Atoka, OK and traveled to MP 148.7 to observe mini-gang operations. Tie-in welding, end facing. Inspected pump station excavation activities for station number 35. (Bryan). Obtained copy of plot plan #4420-01-00 03-002 at MP 149.0. Interviewed with John Emerson, site lead. Station in early stages of development. Traveled to MP 128.5 and observed field coating crew. Blasting, heating and spray painting epoxy 2888 product. Blasting with Black Beauty sand. Traveled to Lehigh, OK to observe cement coating application to outside of pipe for use in wet land areas.

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

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Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

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Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_



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Field Coating crew at MP 128.5, spread 1 1

OPS Field Agent

**EXHIBIT ONE(1)**

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OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report

Date : 04/22/2013 Hours Worked : 9  
Weather: Clear Temp. Low 55 High 75  
Owner/Operator: TransCanada/Keystone XL Spread 1  
Contractor Michels

Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      -                      Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: Traveled to Atoka, OK and met with Harold Anderson and MP 106 to observe pipe lowering in and jeeping operations. Watched contractor do a calibration of jeeping equipment.

Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      -                      Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      -                      Appx. M.P.

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

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OPS Inspector's Signature : **\_Jim Arnold**

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 04/23/2013 Hours Worked : 10  
 Weather: Cloudy Temp. Low 33 High 45  
 Owner/Operator: TransCanada/Keystone XL Spread\_1/Cushing Terminal  
 Contractor Wanzek/Matrix  
 Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

**Comments:** Traveled to TransCanada's Tankage terminal in Cushing, OK to observe and discuss percentage of completion of tank farm. Talked with Tom Fletcher, tank construction project manager. Discussed % of completion of tanks. No welding was being performed due to cold, wet conditions. Tank completion is as follows:

1. 6<sup>th</sup> ring complete and tank is standing alone.
2. 6<sup>th</sup> ring complete
3. 5<sup>th</sup> ring complete and final ring to be complete this week
4. 2<sup>nd</sup> ring complete and 3<sup>rd</sup> ring will be completed this week
5. 2<sup>nd</sup> ring SR2 installed and being welded
6. SR3 being welded and be completed this week
7. SR3 complete and 4<sup>th</sup> to be completed this week. Made a general tour of facility to observe overall appearance of activities. Talked with Kelly Plummer, QAQC coordinator for welding with Wanzek and was advised that a new welding procedure was being developed for plant piping due to operator could not get original material ordered. This qualification was for X65 to X70 and X70 to X70. Had planned on using X65 for plant piping but had to change to X70X.715 wall and must qualify a new procedure.

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Observed Activity : \_\_\_\_\_  
 Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

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**Comments:** \_\_\_\_\_  
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Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

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Comments: \_\_\_\_\_  
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Additional Comments: \_\_\_\_\_  
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OPS Inspector's Signature :     Jim Arnold    

Distribution : OPS Engineer  
                  OPS Field Agent

**EXHIBIT ONE(1)**

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U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report

Date : 04/25/2013 \_\_\_\_\_ Hours Worked : 9 \_\_\_\_\_  
Weather: Cloudy \_\_\_\_\_ Temp. Low 45 \_\_\_\_\_ High 70 \_\_\_\_\_  
Owner/Operator: TransCanada/Keystone XL \_\_\_\_\_ Spread 1 \_\_\_\_\_  
Contractor Michels \_\_\_\_\_

Observed Activity : \_\_\_\_\_  
Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: Traveled to Atoka, OK to observe main line tie-in welding crew activities. Observed field joint automated coating process.

Observed Activity : \_\_\_\_\_  
Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_  
Station # Start/Stop \_\_\_\_\_ GPS Lat. / GPS Long. \_\_\_\_\_ Appx. M.P. \_\_\_\_\_

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

OPS Inspector's Signature : Jim Arnold

Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE(1)**

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**U.S. Department of Transportation  
Office of Pipeline Safety  
Daily Construction Inspection Report**

Date : May 22, 2013                      Hours Worked :9  
 Weather:Sunny Temp.80s Low70s                      High80s  
 Owner/Operator:Transcanada                      SpreadSpread 1  
 ContractorMichels Construction

Observed Activity :Hydrostatic testing

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
			0.2 to 1.33

**Comments: Michels was hydrotesting about a mile of pipe coming out of the Cushing Terminal. This section is tested separate from the rest of pipeline due to it being close to the pump station. MOP is 1600psi. Minimum Hydrotest pressure was 2266psi, actual test pressure was being held at about 2300 psi. Reviewed dead weight, pressure chart, and temperature chart calibration certs. Bob Campbell with Transcanada was at test location. Readings were being taken at 5 min increments, then raised to 15 min. A section of pipe was being tested along with mainline to use as a tie in pup. Electronic gauge was connected to pipe as backup for deadweights.**

Observed Activity :

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
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Comments

Observed Activity:

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.
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Comments:\_

Additional Comments:

OPS Inspector:**Agustin Lopez**

OPS Inspector's Signature : \_\_\_\_\_

Distribution : OPS Engineer

# U.S. Department of Transportation

## Office of Pipeline Safety

### Daily Construction Inspection Report

Date : 10/28/2013 \_\_\_ Hours Worked : 9 \_\_\_

Weather: \_\_\_ Temp. Low \_\_\_ High \_\_\_

Owner: TransCanada/Keystone XL \_\_\_

Contractor: Michales \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments **Traveled to Atoka, OK and met with Harold Anderson, PHMSA Escort to address relevent questions from PHMSA. Answered questions will be furnished to PHMSA . Found out there were numerous DCVG identified digs that need to be observed. These range from M.P. 1.97 to 166.83.**

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Observed Activity : \_\_\_\_\_

Station # Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

OPS Inspector's Signature : Jim Arnold

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Distribution : OPS Engineer  
OPS Field Agent

**EXHIBIT ONE**

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U.S. Department of Transportation  
 Office of Pipeline Safety  
 Daily Construction Inspection Report

Date : 10/29/2013 Hours Worked : 14

Weather: Temp. Low High

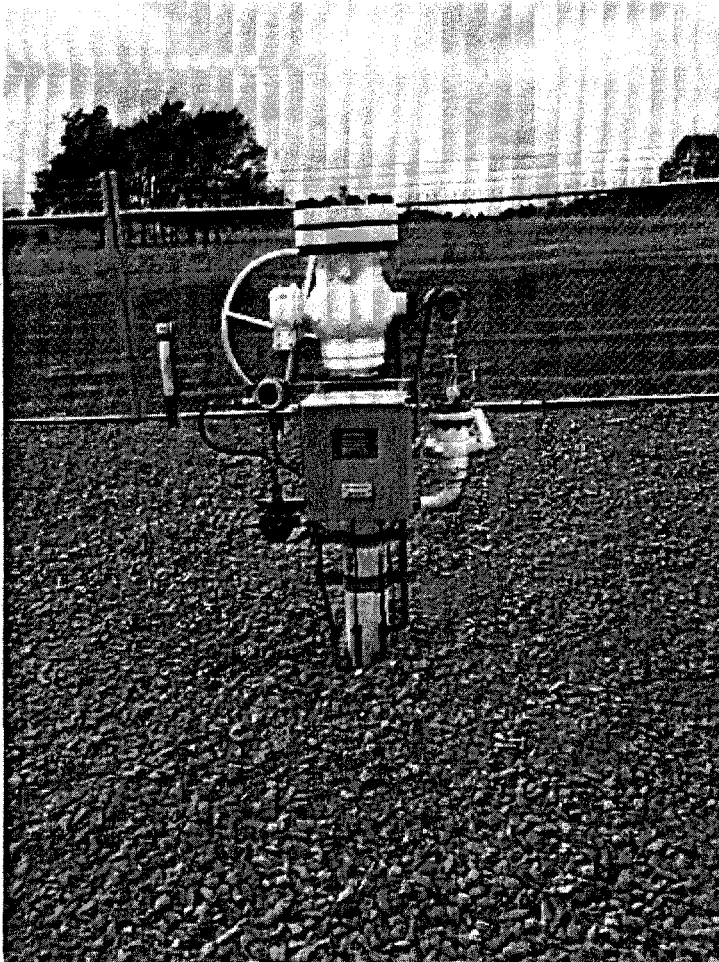
Owner: TransCanada/Keystone XL

Contractor: Michels

Observed Activity : Mainline valve placement and final tie in of ML at Cushing, OK

Station #	Start/Stop	GPS Lat. / GPS Long.	Appx. M.P.

All MLV Comments Observed MLV CRM WL-03A # 239 @ MP 77.65 on South Side of Canadian River. Valve was equipped for automation. See Pictures 1-4. (All MLV on Keystone Pipeline did not have a position indicator as required by 195.116(c)) Observed MLV CRM WL-02A #240 @ MP 73.14 on North Side of Canadian river. Valve is equipped for automation. See pictures 5-10. Observed MLV CSHSP-04A #273 @ South Side of North Canadian River. This valve is a manual valve not equipped for automation. I check valve is installed on upstream side of MLV. See pictures 11-13. Observed MLV CSHSP-03A #280 on North Side of North Canadian River. Valve is equipped with automation. See pictures 14-17. Observed MLV CSHSP-02A- 287 on South Side of Deep Fork River. Valve is not equipped for automation. See picture 18. Observed MLV CSHSP-01A- #295 on North Side of Deep Fork River. Valve is equipped for automation. See pictures 19-22. Observed final line tie in at pump station #32. Tie in consisted of transition at road crossing from .618 WT to .564 and reversed at pump station tie in.



Observed Activity :  
 Station # Start/Stop GPS Lat. / GPS Long. Appx. M.P.

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Observed Activity : \_\_\_\_\_  
Station # Start/Stop                      GPS Lat. / GPS Long.                      Appx. M.P.

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Comments: \_\_\_\_\_

Additional Comments: \_\_\_\_\_

OPS Inspector's Signature : Jim Arnold

Distribution : OPS Engineer  
                  OPS Field Agent

**EXHIBIT ONE**