

Answer: Yes, three camps, one located near Buffalo in Harding County, one near Howes in northern Meade County, and one near Colome in Tripp County.

5. Will Keystone operate the camps?

Answer: No, the camps will be operated by Target Logistics, a company that specializes in the development and in the operation of workforce camps worldwide.

6. Tell the Commission about Target Logistics' experience in operating workforce camps.

Answer: Target Logistics is highly experienced in operating workforce camps, both civilian and military. It has operated workforce camps throughout the nation and internationally for years.

7. Describe the camps for the Commission.

Answer: The workforce camps are constructed on property that is leased for that purpose. Keystone has leased sites for the three South Dakota workforce camps. Each camp is constructed employing purpose built modular units. The modular living units contain rooms much like small motel rooms, each occupied by a project employee. Other modular support units contain a commissary style store that sells a wide range of necessities, a kitchen and dining complex, medical facilities, recreational facilities, laundry facilities, administrative offices; other modular units contain support facilities. The camp will be entirely removed at the conclusion of camp operation. Target Logistics supplies the modular units, custom built to Keystone's specifications.

8. What is the capacity of the camps?

Answer: Typically the camps will be constructed to accommodate a peak capacity of 1,200 persons. During the run up to the peak of construction, occupancy will ramp up over

time. We expect occupancy during the height of construction to peak at about 1,200 and to ramp down as construction activities are completed.

9. How long do you expect the camps to remain open?

Answer: Approximately 18 months from the beginning of camp construction until the camp is closed and all facilities removed.

10. Describe the typical employee who will live in the camps.

Answer: The camps will be populated by pipeline construction workers and construction support personal. Pipeline construction workers, often called “pipeliners,” are typically union employees, hired by our construction contractors. Most are career pipeliners, who make their living constructing cross-country pipelines. Skill sets run from common laborers to equipment operators through highly skilled specialty welders, inspectors, and a wide variety of specialist technicians and support personnel. Typically, a superintendent for one of our contractors has a core group of key employees that he hires for each project; usually all are acquainted, and work on projects as they develop. Pipeliners as a group are hard-working, used to long work hours, highly responsible, and well compensated. Many have college degrees and years of experience in the business of constructing pipelines. The average age of camp occupants will be in the early 40s.

In addition, Target Logistics employees who operate the workforce camps will live in the camps.

11. How do construction workers get from the camp to the job site?

Answer: Pipeline construction is accomplished in construction “spreads”. A “spread” is considered the labor and equipment required to construct the pipeline in a given geographic area, typically a distance of from fifty to one-hundred miles long. Many of the

pipeline construction workers are transported to and from the pipeline construction location each day in work buses provided by the pipeline construction contractor. This is done to reduce highway traffic congestion.

12. Are there behavior codes imposed on occupants of the camps?

Answer: Target Logistics will have strict behavior codes that apply to all persons living in the camp. If a resident violates the terms of the behavior code, their residency in the camp could be terminated. Because camp lodging will be provided to all camp residents at Keystone's expense; the loss of camp residency privileges is a major cost benefit to the worker and a major good behavior motivator. Therefore, we anticipate no discipline problems in the camps.

13. How are the behavior codes enforced?

Answer: Each camp will have a security team provided by Target Logistics. The security team enforces the rules of conduct that govern the camps. There is very little occasion to enforce the behavior codes in the camps. Most workers put in 10 hour days, plus travel time from the camp to the construction and return, and accordingly have little extra time or energy to involve themselves in behavior that is in violation of the occupancy rules.

14. Is local law enforcement engaged for the camps?

Answer: Target Logistics will provide 24-7 camp security using its own security officers. Local law enforcement will be engaged if needed within the camps; however, that is not anticipated. Keystone has already conducted preliminary discussions with local law enforcement agencies and has indicated that when necessary, it will augment the cost of additional law enforcement personnel required as a result of the workforce camp.

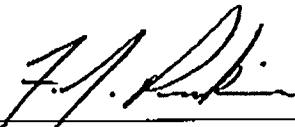
15. Have you obtained local government approval for the camps?

Answer: Keystone has obtained a conditional use permit from Harding County for the construction and operation of the camp near Buffalo. A conditional use permit for operation of the camp to be constructed in Meade County is not required; however an occupancy permit for work force camp will be obtained prior to operation of the camp. Tripp County does not have a zoning ordinance or a conditional use permit requirement for the camp planned for near Colome.

16. Is your professional resume attached and marked Exhibit A?

Answer: Yes.

Dated this 25th day of June, 2015.



F. J. (Rick) Perkins