Officials at Energy Transfer Partners (ETP) said the Dakota Access Pipeline LLC unit has begun construction on the four-state, 1,154-mile project to ship Bakken crude oil to markets along the East, West and Gulf coasts. They expect the project to be completed by the end of this year.

"We have begun work on the project and anticipate project-wide construction activities to ramp up in the coming month with completion toward the end of the year," an ETP spokesperson told NGI's Shale Daily on Friday.

The start of the long-anticipated Bakken oil pipeline outlet comes following Thursday's announcement by the Iowa Utilities Board (IUB) that it has denied all of the remaining motions for rehearing in the approval it finalized earlier this month (see Shale Daily, April 11). Iowa was the last of the four states to authorize the project.

On Thursday, the IUB also ordered a complaint proceeding to be established for a particular landowner and established procedures to address any additional complaints regarding the pipeline activities in lining up the final rights-of-way for the project.

"The board noted that this order is the final agency decision on all pending motions for rehearing or reconsideration," said an IUB spokesperson, noting that Dakota Access still has some paperwork to complete with the IUB based on some of the compliance requirements. Further challenges would have to be done in court based on judicial review timelines starting from Thursday's date (April 28).

In March, the IUB ordered the initial conditioned approval for the $3.8 billion crude oil project (see Shale Daily, March 11). Subsequently, the board said Dakota Access "substantially complied" with the requirements of the board's original order and issued a hazardous liquid pipeline permit to Dakota Access LLC.

As of the last report from ETP, not all of the rights-of-way had been acquired for the massive project, but about 88% of it was in hand (see Shale Daily, April 1). Dakota Access holds the easements needed to cross the nearly 3,700 separate properties along its complete route. On a state-by-state basis, the percentages varied, but Iowa remained the lowest -- 97% in North Dakota; 93% in South Dakota; 92% in Illinois; and 82% in Iowa.
North Dakota pipeline officials said in March they expect big things from Dakota Access in terms of opening up future markets for Bakken crude (see Shale Daily, March 14). A year-end 2016 start for the pipeline is expected along with the eventual potential to move up to half of the Bakken's 1 million b/d production to various markets.

Officials emphasized that to meet the end-of-year startup will require multiple construction spreads being worked on simultaneously.

As planned, Dakota Access will have 100,000 b/d of capacity for its initial segment to the Stanley and Ramberg tank terminals in North Dakota, from which takeaway capacity would be expanded to carry up to 600,000 b/d between Watford City's tank terminal and the South Dakota border.