

## 1.0 Introduction

On June 20, 2007, Overland Pass Pipeline Company (OPPC), a subsidiary of ONEOK, Inc. and Williams Field Service Company, LLC (Williams), filed an application with the Bureau of Land Management (BLM) to construct, own, and operate a 152-mile-long, 14-inch-diameter, buried steel natural gas liquids (NGL) pipeline and related facilities that would connect NGL production from the Piceance Basin in Colorado to the OPPC Overland Pass Pipeline in southern Wyoming.

The proposed Overland Pass Pipeline Piceance Basin Lateral NGL Project (Project) would include a 2,000-foot, 6-inch-diameter lateral, manual shut-off valves at regular intervals, pigging facilities, and 2 meter stations. **Figure 1.1-1** depicts the Project location. The pipeline would transport a total of 100,000 barrels of Y-grade NGL per day. Initially, 20,000 to 30,000 barrels per day (bpd) would be transported; however, the pipe would be designed to hold more NGL as the need increases. Should volumes of NGL increase above approximately 70,000 bpd, a pump station would be constructed at the approximate midpoint of the pipeline route near milepost (MP) 82.4. With the pump station installed, the capacity of the pipeline would be 100,000 bpd.

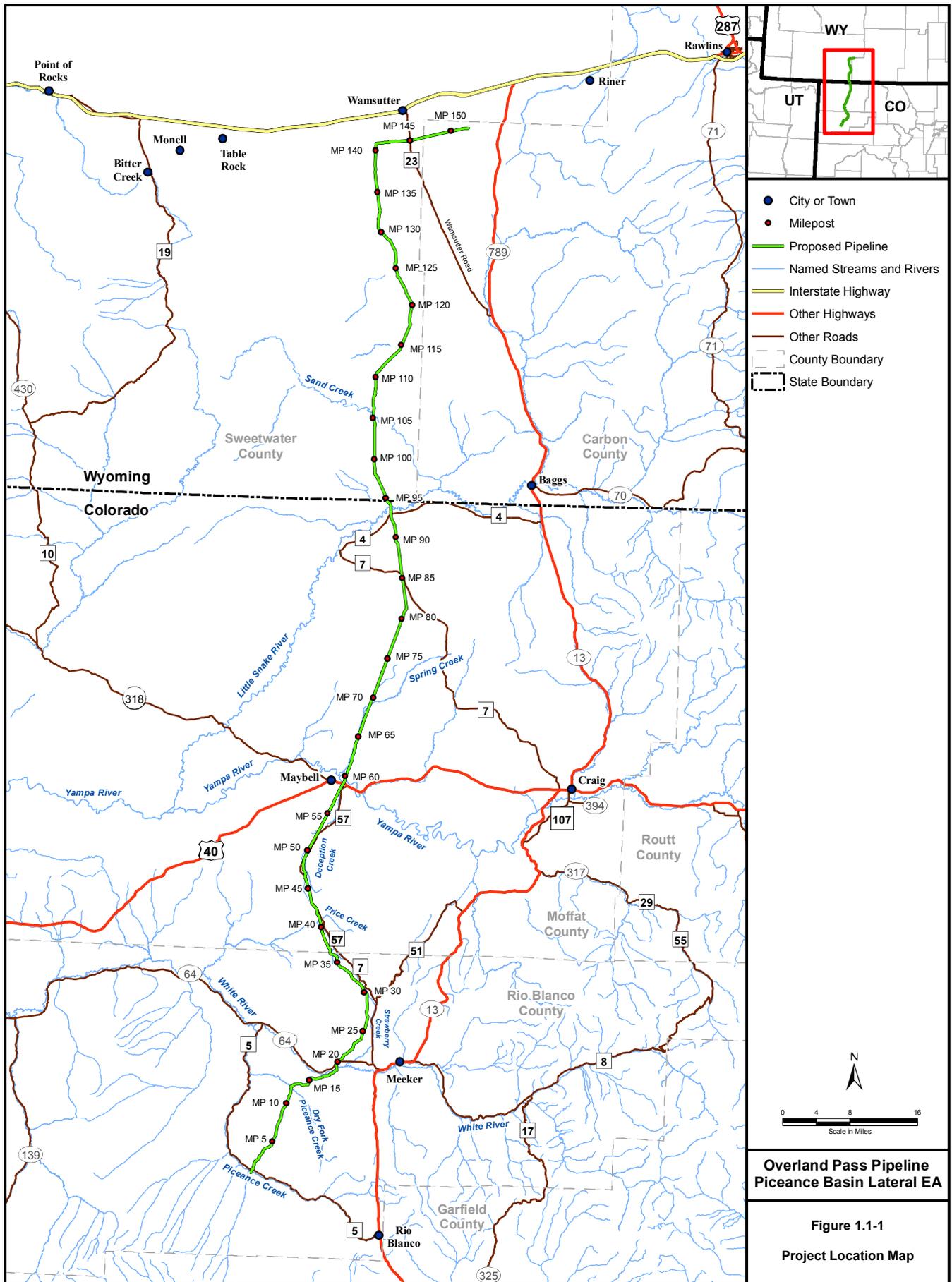
### 1.1 Purpose and Need for the Proposed Project

NGL are hydrocarbon liquids associated with the production and processing of natural gas. When natural gas is removed from the ground, it is compositionally different than what is transported through natural gas transmission systems and ultimately used by the public for such things as home heating and cooking. When removed from the ground, the mixture is predominately methane, but also includes heavier hydrocarbons and inert gases. Although the mixture can vary greatly, a typical stream may include 85 percent methane, 10 percent heavier hydrocarbons (NGL), and 5 percent inert gases. The NGL and inert gases must be removed to make the natural gas salable and transportable.

Once removed from the natural gas, the NGL must be transported under pressure by alternate pipelines to fractionators. The fractionators separate the NGL into purity products such as ethane, propane, and butane, which are used in the petrochemical, petroleum refining, and agricultural industries. Gas processing plants are much smaller, simpler facilities than fractionators and are more commonly located very near the natural gas drilling areas. Fractionators, on the other hand, are very complex facilities that are located in areas of the country with ready access to delivery markets and, typically, underground storage facilities.

As natural gas production increases typical NGL production also increases. Increased drilling activity and natural gas production in the Rocky Mountain region, and particularly in the Piceance Basin, are creating a corresponding increase in the amount of NGL that need to be carried out of the area to existing fractionators in the Midwest and Gulf Coast regions. An underground NGL pipeline located largely in existing pipeline rights-of-way (ROWs) would have considerable environmental and safety advantages over alternative means of transporting NGL out of the Piceance Basin, such as trucking or rail transport. Currently, existing NGL pipelines are operating at or near capacity. The proposed Project would address the needs of producers in Colorado by providing additional NGL pipeline capacity out of the Piceance Basin to fractionation facilities in Bushton and Conway, Kansas. Downstream customers would thereby gain access to the Piceance Basin supply. In summary, approval of the Project would meet the mutual needs of producers and downstream customers, and would further federal policy regarding the development of pipeline infrastructure in the Rocky Mountain region.

In addition to being necessary, the removal of NGL from the natural gas stream also can enhance the value of the components removed. Although only 10 percent of the stream by weight, the NGL can contribute approximately 15 percent of the energy of the stream.



**Overland Pass Pipeline  
Piceance Basin Lateral EA**

Figure 1.1-1

Project Location Map

Since NGL must be removed up to a certain level and are often removed in greater quantities for economic purposes, regional NGL production quantities track with regional natural gas production quantities. Specifically in the Rocky Mountain region of the United States (U.S.), as natural gas production grows, NGL production also grows.

According to the *Environmental Assessment (EA) for the Mid-America Pipeline Company, LLC (MAPL) Western Expansion Project* (BLM 2005), the Rocky Mountain region is a significant contributor to the supply of natural gas in the U.S., producing approximately 25 percent of the U.S. natural gas. Natural gas production in the Rocky Mountains increased 56 percent between 1999 and 2003. Some experts predict that the Rocky Mountain region's gas production could increase from 3.3 trillion cubic feet per year (tcfy) in 2002 to 4.6 tcfy in 2010 and 6.3 tcfy in 2025 (U.S. Department of Energy 2004). Notwithstanding the variance in supply predictions, industry experts agree that production from the Rocky Mountain region would be critical to serving the country's increasing energy needs. Using typical average NGL content (2 gallons per thousand cubic feet) and an average NGL recovery factor (50 percent), this increase in natural gas production would produce a substantial increase in NGL that would need to be moved.

The proposed Project is in the national interest in that it is a major energy facility that would provide significant and much needed NGL transmission capacity out of the Piceance Basin to the Overland Pass Pipeline. The Project would increase the flexibility and reliability of the interstate NGL grid by offering greater access to NGL supply sources and increased availability of NGL for anticipated projects.

## **1.2 Relationship to Policies, Plans, and Programs**

The proposed Project would cross federal lands managed by the BLM as well as state lands in Colorado and Wyoming. The BLM is the lead federal agency for the Project. The proposed Project would affect public land administered by the BLM White River Field Office (WRFO) in Meeker, Colorado; the Little Snake Field Office (LSFO) in Craig, Colorado; and the Rawlins Field Office (RFO) in Rawlins, Wyoming.

Consistent with federal regulations found in 43 Code of Federal Regulations (CFR) 2804.25, the BLM is required to complete a National Environmental Policy Act (NEPA) analysis before issuing a ROW grant. Due to the nature and scope of the proposed Project, the BLM decided to prepare an EA to assess potential impacts.

The controlling guidance and source documents for preparation of this EA include: 1) the Council on Environmental Quality (CEQ) regulations for implementing NEPA (40 CFR Parts 1500-1508); 2) the BLM NEPA Handbook H-1790-1 (BLM 2008); 3) the Resource Management Plans (RMPs) for the three regional BLM field offices; and 4) OPPC Plan of Development (POD) (CH2M Hill Trigon, Inc. 2008), which describes how and where the Project would be constructed and operated and how the ROW would be reclaimed.

### **1.2.1 BLM Authorizing Actions and Conformance to Land Use Plans**

The BLM is responsible for issuing ROW grants across federal lands in accordance with 43 CFR 2880. Specifically, 43 CFR 2881.11 requires a BLM ROW grant for any oil or gas pipeline or related facility that crosses federal land under BLM jurisdiction or under the jurisdiction of two or more federal agencies. Subpart 2884 describes the application filing, content, processing, and decision steps in granting a ROW under these regulations.

The BLM has the authority and responsibility under the Mineral Leasing Act (MLA) of 1920, as amended (30 United States Code [USC] Section 185) to grant ROWs for pipelines and is responsible for imposing stipulations and regulations, as needed, to protect public safety and the environment. OPPC-committed environmental protection measures specific to BLM-administered federal lands are presented in this EA. As such, in order to obtain a ROW grant and temporary use authorization from the BLM, OPPC would be subject to terms of use that are specific to federal lands managed by BLM. OPPC-committed environmental protection measures were based on common pipeline best management practices (BMPs) recently used on other

regional pipeline projects, such as the Wyoming Interstate Company, Ltd. (WIC) Piceance Basin Project. These measures, where applicable, also would be implemented during construction and operation on private lands.

BLM would prepare a Decision Record (DR) to document its decision to either approve or not approve the proposed Project. If approved, any necessary and applicable documentation regarding environmental protection measures, additional mitigation measures, or permit conditions required by the BLM would be included in the DR. A concurrence letter or Biological Opinion (BO) from the U.S. Fish and Wildlife Service (USFWS); and concurrence letters with the proposed treatment of cultural resources from the Wyoming and Colorado State Historic Preservation Officers (SHPOs) also would be taken into account when preparing the DR.

The proposed Project and alternatives presented in this EA are consistent with the management decisions in the White River RMP (BLM 1997), the Little Snake RMP (BLM 1989), the Oil and Gas Amendment to the Little Snake RMP (BLM 1991), and the Rawlins RMP and Final EIS (BLM 2008a). The management goals for oil and gas minerals management for the three BLM resource areas as stated in their respective RMPs include:

- White River RMP – to make federal oil and gas resources available for leasing and development in a manner that provides reasonable protection for other resource values.
- Little Snake RMP – to maximize the availability of the federal oil and gas estate for exploration and development, and to facilitate orderly, economic, and environmentally sound exploration and development of oil and gas resources using balanced multiple-use management.
- Rawlins RMP – to manage mineral resources from available BLM-administered public lands and federal minerals while minimizing the impacts to the environment, public health and safety, and other resource values and uses.

Additionally, the White River RMP and Rawlins RMP identify existing ROW corridors as the likely location for placement and development of new delivery pipelines for oil and gas. The proposed Project generally follows these existing ROW corridors. Therefore, development of the proposed Project would be in conformance with the management directives identified in the RMPs for oil and gas minerals management and utility ROW development.

### 1.2.2 Permits and Relationship to Non-federal Policies, Plans, and Programs

Key federal, state, or local agencies that have permit, approval, or consultation authority for portions of the Project are identified in **Table 1.2-1**. Tribal governments that were consulted under Section 106 of the National Historic Preservation Act of 1966 as amended (NHPA) also are included in the table. Individual road crossing and road use permits have not been included in this table, since such permits would be a standard requirement in all counties crossed.

**Table 1.2-1 Major Permits, Approvals, and Consultations for the Project**

Agency	Permit/Approval/Consultations	Agency Action
<b>Federal<sup>1</sup></b>		
BLM	ROW Grant for the pipeline and all related facilities located on federal land under the authority of the MLA	Consider issuance of a ROW Grant for the portion of the Project on federal land.
	Temporary Use Permit for temporary workspace areas and temporary access roads under the authority of the MLA	Consider the issuance of a Temporary Use Permit for the portion of the Project on federal land.

**Table 1.2-1 Major Permits, Approvals, and Consultations for the Project**

Agency	Permit/Approval/Consultations	Agency Action
USFWS	Section 7 Consultation under the Endangered Species Act (ESA)	Consider lead agency finding of impact on federally listed or proposed species. Provide BO if the Project is likely to adversely affect federally listed or proposed species, or their habitats.
Natural Resource Conservation Service (NRCS) Wyoming and Colorado	Consultation	Consultation regarding erosion control recommendations, revegetation specifications, and identification of Conservation Reserve Program lands.
U.S. Army Corps of Engineers (USACE) –Sacramento District (Colorado) and Omaha District (Wyoming)	Section 404, Clean Water Act (CWA)	Consider issuance of Section 404 permits for working in navigable waters of the U.S. and the placement of dredge or fill material into all waters of the U.S., including wetlands.
Advisory Council on Historic Preservation (ACHP)	Section 106 Consultation, NHPA	Has the opportunity to comment on the undertaking.
U.S. Environmental Protection Agency (USEPA) Region 8	Section 401, CWA, Water Quality Certification	In conjunction with states, consider issuance of water use and water crossing permits.
	Section 402, CWA, National Pollutant Discharge Elimination System (NPDES)	In conjunction with states, review and issue NPDES permit for discharge of hydrostatic test water and discharge of groundwater associated with construction activities.
	Section 404, CWA (veto power for wetland permits issued by the USACE)	Review CWA, Section 404 wetland dredge-and-fill applications for the USACE with Section 404 veto power for permits issued by the USACE.
	Storm Water Discharge Permit	In conjunction with states, review and issue storm water permit for activities associated with pipeline and aboveground facilities construction.
<b>State - Colorado</b>		
Colorado Department of Natural Resources - Division of Wildlife	State Listed Species Consultation	Review and comment on activities potentially affecting listed state species.
	Temporary Use Permit	Consider issuance of a Temporary Use Permit to conduct environmental and engineering surveys.
	Long-term Use Permit	Consider the issuance of a Long-term Use Permit for the portion of the Project on state land.
- State Land Board	Trust Land Permit	Consider issuance of permit to occupy state-owned land.

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<b>Agency</b>	<b>Permit/Approval/Consultations</b>	<b>Agency Action</b>
Colorado Department of Public Health and Environment (CDPHE) - Air Quality Control Division	Air Pollution Emission Notice	Consider issuance of a permit to construct with the potential for fugitive dust.
- Division of Water Resources - Water Quality Control Division	Section 401, CWA, Water Quality Certification	Consider issuance of a permit for stream and wetland crossings (blanketed under USACE Section 404 permits).
	Construction Storm Water Discharge Permit	Consider issuance of a permit regulating discharge of storm water from the construction work area.
	Construction Dewatering Wastewater Discharge	Consider issuance of a permit regulating dewatering of groundwater from the construction work area.
	Hydrostatic Test Water Discharge Permit	Consider issuance of a permit regulating hydrostatic test water discharge, and construction dewatering to waters of the state.
Colorado State Engineers Office	Consultation on Surface Water Rights	Consider use of surface waters for appropriations required for hydrostatic testing.
Colorado Historical Society SHPO	Consultation under Section 106 of the NHPA	Review and comment on activities potentially affecting cultural resources.
<b>State - Wyoming</b>		
Department of Environmental Quality (WDEQ) - Water Quality Division	NPDES Storm Water Permit Program - General Permit for Construction Storm Water Discharge	Consider issuance of a permit regulating discharge of storm water from the construction work area.
	Water and Wastewater Program - General Permit for Temporary Discharge	Consider issuance of a permit regulating temporary discharges of wastewaters to surface waters of the state associated with hydrostatic testing of pipes, tanks, or other similar vessels; construction dewatering; other.
- Watershed Management Section	Temporary Turbidity Increase Permit	Consider issuance of a permit for temporary increases in turbidity as a result of construction activities.
	Section 401 Certification	Consider issuance of a permit for stream and wetland crossings (blanketed under USACE Section 404 authorization).
Wyoming Department of State Parks and Cultural Resources - SHPO	Consultation under Section 106 of the NHPA	Review and comment on activities potentially affecting cultural resources.
- Wyoming Game and Fish (WGFD)	Consultations	Consultations regarding listed state species.

**Table 1.2-1 Major Permits, Approvals, and Consultations for the Project**

Agency	Permit/Approval/Consultations	Agency Action
<b>Tribal Governments</b>		
Eastern Shoshone	Consultation under Section 106 of the NHPA	Review and comment on activities potentially affecting cultural resources.
Northern Arapaho	Consultation under Section 106 of the NHPA	Review and comment on activities potentially affecting cultural resources.
Northern Ute	Consultation under Section 106 of the NHPA	Review and comment on activities potentially affecting cultural resources.
Shoshone Bannock	Consultation under Section 106 of the NHPA	Review and comment on activities potentially affecting cultural resources.
Southern Ute	Consultation under Section 106 of the NHPA	Review and comment on activities potentially affecting cultural resources.
Ute Mountain Ute	Consultation under Section 106 of the NHPA	Review and comment on activities potentially affecting cultural resources.

<sup>1</sup>Federal agencies also must review the proposed Project for consistency with the following federal Executive Orders (EO): Invasive Species (Federal Register [FR] 1999) and Migratory Birds (FR 2001).

### 1.3 Scoping and Public Involvement

Scoping is a process of actively acquiring initial input from the public and other interested federal, state, tribal, and local agencies to determine the scope of issues to be addressed. It is used to identify key issues related to a proposed project. Information gained during scoping assists the lead agency in identifying potential environmental issues, alternatives, and mitigation measures associated with development of the proposed Project. The process provides a mechanism for narrowing the scope of issues so that the EA can focus the analysis on areas of high interest and concern.

From February 22 to March 14, 2008, the BLM published a scoping notice on their website describing the proposed Project and providing information on deadlines and contact information for comment submittal. The BLM also issued a press release on February 26, 2008, which appeared in three local newspapers: the Craig Daily Press, the Rio Blanco Herald Times, and the Rawlins Daily Times. Additionally, a postcard was mailed to 700 parties of interest announcing the proposed Project, providing instructions on how to submit comments, and directing the recipients to the BLM website for further information. This postcard was distributed to various federal, state, and local agencies; elected officials; tribes; landowners; media outlets and libraries throughout the Project area; other non-government agencies; and other individuals that have expressed interest in NEPA-related projects in the three BLM field offices. Two scoping comment submittals (e.g., letter, email) were received: one letter from a landowner in Sweetwater County, Wyoming, and one from the WGFD.

An interagency meeting was held on February 27, 2008, in Craig, Colorado, to identify potential issues and key concerns along the proposed pipeline route. Attendance to this meeting included representatives from each of the three BLM Field Offices (WRFO, LSFO, and RFO), USFWS, USACE, Colorado Division of Wildlife (CDOW), and the Colorado State Land Board. The WGFD was invited, but did not attend.

## 1.4 Issues

Based on comments received during scoping and from various agencies, as well as information gathered from the two projects recently constructed in the area (Entrega and WIC Piceance), the following key issues and concerns associated with the proposed Project have been identified:

- Reclamation and revegetation in the existing pipeline corridor;
  - Reclamation, particularly reseeding of the ROW, was conducted at the wrong time of year on WIC Piceance and Entrega. Lessons learned from these two projects should be incorporated into the proposed reclamation plan.
  - Post-construction monitoring reports should be completed for at least 5 years or until ROW native cover is reestablished.
  - Cooperation between all companies in the pipeline corridor should be considered to address reclamation of the entire corridor.
  - Wash stations need to be located at access points to control the spread of noxious weeds.
  - Compaction and reclamation of silty soils north of Maybell needs to be addressed.
  - Reestablishment of critical forage species (i.e., bitter brush plant in the Bitter Brush State Wildlife Area [SWA]) following construction of the previous two pipelines has not been successful.
- Impacts to fish habitat, surface water quality, and bank stabilization;
  - Depletions in the Colorado Basin would have downstream native fish implications, particularly regarding threatened and endangered fish in the Yampa River.
  - Water bar spacing should be minimal to prevent erosion on steep slopes.
  - New roads are impacting water quality in upland areas.
- Impacts to threatened, endangered, and special status species and habitat;
  - Within non-block cleared areas in the Rawlins RMP Planning Area, white-tailed prairie dog towns that qualify as black-footed ferret habitat need to be mapped and surveyed as necessary.
  - There are at least 6 greater sage-grouse leks within 0.5 mile of the Project in the LSFO.
  - Land bridges and escape ramps need to be used in Big Game Winter Range areas and along migration routes.
  - There are historical mountain plover sightings along the Little Snake River.
  - Greater sage-grouse, raptor nesting, big game crucial winter range, mountain plover (potential and occupied habitat) would occur along Project and would require seasonal stipulations.
  - Avoid (not transplant) sensitive plant species populations.
- Impacts to local and regional infrastructure including transportation networks, available housing, and emergency services; and
  - Heavy traffic on roads not designed for that use (particularly County Road 5/Piceance Creek Road) needs to be addressed. It would be preferred to have no new roads and to have widened roads reclaimed back to original width/condition.
  - Civil surveys need to stay on existing roads and trails; if not, personnel need to go out and back on foot.
  - Trash left by work crews needs to be cleaned up.

- There is limited housing supply for construction workers.
  - Availability and impact on emergency services needs to be addressed.
  - Economic impacts to hunters and outfitters needs to be addressed.
  - Cattle guards and fences must be restored after construction.
- Winter Construction.
  - Snow removal damage to adjacent areas needs to be addressed.