

**U. S. Department of the Interior
Bureau of Land Management
Casper Field Office, Casper, Wyoming
Buffalo Field Office, Buffalo, Wyoming
Lander Field Office, Lander, Wyoming**

1792 Petro Source
2800/WYW148827
EA No. WY-060-01-033

**PETRO SOURCE
CARBON DIOXIDE PIPELINE PROJECT**

**DECISION RECORD
AND
FINDING OF NO SIGNIFICANT IMPACT**

DECISION

It is my decision to issue a right-of-way (ROW) grant and associated temporary use permit (TUP) to Petro Source Corporation for phases I and II of a buried 12-inch and 8-inch pipeline which will transport carbon dioxide (CO₂) as described as the proposed action in the Petro Source Carbon Dioxide Pipeline Project Environmental Assessment (EA) No. WY-060-01-033. The ROW and TUP will be issued pursuant to the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185), and will be subject to the rules and regulations in 43 CFR 2880 and the terms of authorization listed below.

In response to comments provided by the Wyoming Department of Transportation (WYDOT), this decision includes the requirement that the following process(es) be followed where the CO₂ pipeline crosses two (2) state and/or federal highway rights-of-way located on federal land. These crossings are described in Tables 2-6 and 2-7 of the subject EA, and in the project Plan of Development, Appendix B, "Road and Railroad Crossings Table."

The procedures summarized below are in accordance with BLM MOU NO.: WY923-95-08-84, "Memorandum of Understanding Among/Between U. S. Department of the Interior - Bureau of Land Management, Wyoming State Office and the Wyoming Transportation Department, and U. S. Department of Transportation - Federal Highway Administration."

The easements granted by the highway rights-of-way do not include the grant of any rights for non-highway purposes or facilities. The BLM reserved the right to grant additional rights-of-way within the highway easement, subject to prior consultation. Consultation between the BLM Casper Field Office and the WYDOT, Casper District Maintenance Engineer has been conducted.

Petro Source Corporation is required under the subject MOU to obtain permits and/or licenses from WYDOT, and is responsible for providing WYDOT the information required. This is included in the project EA and Plan of Development (POD). The decision to approve the right-of-way and permit authorization is contingent upon receipt of an access permit from the WYDOT.

In a July 5, 2001 letter from the BLM to the U.S. Fish and Wildlife Service (Service), the BLM responded to comments from the Service on impacts to black-footed ferrets, mountain plover, raptor nesting habitat, and Platte River System water depletions. The BLM's response clarified EA findings; provided additional details and

supplemented EA No. WY-060-01-033; restated the BLM's determinations as to the project's effects upon threatened and endangered species and their habitats; and, requested initiation of formal consultation with the Service for downstream Platte River species. The supplements to EA No. WY-060-01-033 are specified below.

The following paragraph supplements the EA and replaces the text on page 2-38, item number 11, and on page 4-20, Section 4.6.2.1., the last 8 lines of the text:

"Prior to initiation of construction on Phase II, black-footed ferret surveys would be conducted within active prairie dog colonies which would be impacted by any of the project activities. Surveys would be conducted in accordance with the 1989 U.S. Fish and Wildlife Service Black-footed Ferret Survey Guidelines. If an occupied black-footed ferret territory or fresh sign (i.e., tracks, scat, diggings) is documented during the surveys, the Service would immediately be notified and appropriate protection measures would be developed to avoid adversely affecting this species. If necessary, the pipeline would be rerouted to avoid the prairie dog colonies. Avoidance of the prairie dog colonies shall include all activities associated with the project including, but not limited to, surface disturbance, vehicle traffic, surveying, and staking."

The following paragraph supplements the EA and replaces the text on page 4-23, paragraph 3:

"If construction were to occur during the breeding/nesting season, mountain plover surveys would be conducted in potentially suitable habitat in accordance with the Service's 2001 Mountain Plover Survey Guidelines."

The EA is supplemented on page 2-37, item 6, and on page 4-19, lines 1 through 16 as follows:

"A minimum buffer zone of 0.5 (½) mile will be applied to all active raptor nests. The BLM will coordinate with the Service if a buffer zone of less than 0.5 mile is requested."

As a result of consultation with the Service in accordance with section 7 of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et.seq.), Petro Source will be required to deposit funds into a designated National Fish and Wildlife Foundation account to offset the project related impacts to Platte River fish and wildlife resources. The Service has calculated that the amount of \$1,746.60 should be deposited into the Foundation account for use in restoring Platte River habitat, as described in the July 17, 2001 memorandum from the Service to the BLM.

MITIGATION AND MONITORING

All construction, reclamation, operation, maintenance, and abandonment will be carried out in accordance with the POD that has been prepared in conjunction with the EA and additional standard mitigating measures which will become part of the ROW grant and TUP. The POD includes a compliance plan which will be implemented by Petro Source Corporation with monitoring by representatives of the BLM authorized officer.

If construction is not completed by January 31, 2002 additional resource surveys may be required, particularly for wildlife resources, before construction can be authorized to proceed.

As a condition of ROW and TUP approval, no surface disturbance will be permitted until Petro Source Corporation receives a Notice to Proceed from the BLM authorized officer. A Notice to Proceed shall authorize construction or use only as therein expressly stated and only for the particular location or use therein described. Depending upon timing, more than one Notice to Proceed may be required prior to commencing construction or other surface disturbing activities on affected segments of the project in accordance with the specific information which must be provided by Petro Source Corporation as set forth in the project EA and as described in detail in the POD. Specific information which must still be submitted in order to obtain the Notice(s) to Proceed includes, but is not limited to, the POD information identified below.

Soils

Section III.G., CLEARING (pages III-6, 16, and 17), addressing topsoil survey, and stripping and salvage constraints.

Water Resources and Wetlands

Section III.P., SPECIAL CONDITIONS, items 11.a. and i. (pages III-16 through III-18) addressing surveys, routing and staking in wetland and riparian areas.

Wildlife, Fisheries, and Special Status Species

Section III.P., SPECIAL CONDITIONS, items 13. a, g, h., j., and k. (pages III-19 through 21) addressing wildlife surveys and/or staking.

As a result of comments from and consultation with the Service, three items in the POD require revision and/or clarification. The affected items are: Section III, P., SPECIAL CONDITIONS, items 13 f., k., and i., addressing raptor nest buffer zones, black-footed ferret surveys, and mountain plover surveys, respectively. One new mitigation measure pertaining to placement of corrosion protection rectifiers within mountain plover habitat is also required. The following measure must be incorporated in the POD as part of Section III.P., SPECIAL CONDITIONS, item 13, using the procedure for amending the POD:

"Rectifier containers shall not be placed in suitable mountain plover habitat if possible. Rectifiers will be placed within buildings where feasible. If rectifier containers are placed on poles, the structure shall be made 'raptor proof' under consultation with the BLM and the U.S. Fish and Wildlife Service."

This decision to issue a grant and permit to Petro Source Corporation approves Detail 202, which is found in Appendix A of the Petro Source Corporation POD dated March 2001, Rev. 2, as the typical ROW construction configuration. The need for supplemental topsoil on the working side of the right-of-way, as shown on Detail 202, will be discussed at the pre-construction conference. Detail 202 shows placement of topsoil and trench spoil piles and is consistent with Figure 2-10, found on page 2-17 of the EA. Detail 202 is also consistent with the full width topsoil salvage described on POD page III-6, section G., Clearing. Details 200, 201, 203, 204, and 208, which are also found in Appendix A of the POD will not apply except in special circumstances and only if specifically referenced in the EA, POD, or approved in writing by the Authorized Officer or AO's representative.

There are 19 existing access roads designated in Appendix D of the POD for use during project construction. With the exception of Access Roads 2 and 5A, all roads will be used in their present condition. Roads designated as Heavy Duty may be used by all project vehicles and equipment. Light Duty roads will be limited to pickup trucks that are 3/4-ton or less in size. No upgrading or reconstruction work will be performed on Light Duty roads, and any maintenance work needed on any road will be performed as-specified in POD Appendix E, item D (page E-2); and/or Appendix J, item 2.4 (page J-4). All surface disturbing activity on roads must be confined within the area(s) previously disturbed for road construction and/or maintenance. This decision adopts the following road widths for the road Descriptions listed in Appendix D, Access Road Summary table, for the purposes of acreage and rental calculation purposes only: Two-track trails are 10 feet wide; Unimproved roads are 30 feet wide; and, Improved/Heavy Duty roads are 60 feet wide.

In addition to the required data specified above, other information and/or work is required prior to starting construction on the project. Information or clarification for the POD is required to implement the project's Compliance Plan (contained in Appendix I of the POD). Submission of the required information, as provided in POD Section III, item R (pages III-28 and 29), will amend the POD and is required before the pre-construction conference can be scheduled. As a result of the pre-construction conference, and during project construction, there may be instances where further minor amendment of the POD is necessary.

RATIONALE FOR THE DECISION

The decision to issue the grant and permit to Petro Source Corporation is based on the impact analysis contained in the above referenced EA. The analysis shows that there will be no undue or unnecessary environmental impacts to the environment caused by construction, reclamation, operation, maintenance, or abandonment of the

pipeline.

There would be a reduction in the levels of CO₂ presently being vented into the atmosphere at the Exxon Mobil La Barge facility in southwest Wyoming. There would also be recovery of additional oil due to the increased effectiveness of using CO₂ to recover oil from the oil reserves in the Salt Creek, Sussex, and Hartzog Draw Oil Fields which can not be obtained by other methods of production.

After consultation between the BLM and WYDOT, and based upon the analysis contained in the referenced EA, it is concluded that the pipeline project would not be inconsistent with the purposes of the easements granted by the highway rights-of-way, nor would the project interfere with or impair the full use and safety of those highways. Nothing has been discovered which would preclude the BLM from authorizing the project as specified in the project EA and POD, and as described in this Decision Record.

The result of BLM's consultation with the Service, as discussed in previous sections of this decision, is that the BLM has determined the project will have no effect on black-footed ferrets or their critical habitat, or on mountain plovers or raptor nesting habitat. The BLM has determined that the project may affect, and is likely to adversely affect four species downstream of the project area within the Platte River system: whooping crane, least tern, piping plover and pallid sturgeon. Accordingly, the BLM requested formal consultation with the Service via "Intra-Service Section 7 Consultation for Federal Agency Actions Resulting in Minor Water Depletions to the Platte River System" and the Service has concurred with the findings of the BLM's EA, as clarified and supplemented by the BLM's July 5, 2001 letter to the Service.

The no action alternative was the only alternative considered. That alternative would have resulted in the continued venting of CO₂ into the atmosphere. The no action alternative would also have precluded additional production of oil reserves, at time when national demand for oil is high.

The issuance of the ROW grant and permit are in conformance with the Platte River RMP (1985), Lander RMP (1987), and the Buffalo RMP (1985).

PROJECT SUMMARY

Petro Source Corporation proposed to construct and operate approximately 155 miles of 12-inch liquid CO₂ pipeline from the Bairoil Terminal on the existing Wyoming-Dakota CO₂ Pipeline in Fremont County, Wyoming, to a point in the Hartzog Draw Unit oil field in Campbell County, Wyoming. The route for this pipeline extension was previously analyzed in the Bairoil/Dakota Carbon Dioxide Projects Environmental Impact Statement (EIS) finalized in February, 1986. A new 7-mile lateral pipeline (8-inch diameter) also would be constructed to the Salt Creek Oil Field in Natrona County. The CO₂ transported by the pipeline would be used for Enhanced Oil Recovery (EOR) at the existing Salt Creek, Sussex, and Hartzog Draw Units and other potential oil fields.

The primary purpose of this proposed project is to transport CO₂ from the existing ExxonMobil pipeline terminus at the Bairoil Terminal to various oil fields for use in EOR processing. A secondary purpose is to market CO₂ produced at the existing ExxonMobil LaBarge natural gas processing plant near Opal, Wyoming, about 120 miles west of Bairoil Terminal, thus reducing CO₂ venting at the plant.

Initial volumes of CO₂ carried by the pipeline extension are projected to range from approximately 15 to 50 million standard cubic feet per day (MMSCFD). The long range outlook is for the pipeline to transport a total of 150 to 200 MMSCFD to future intermediate delivery points and along extensions to the system. However, there are many economic and technical factors that could affect the ultimate maximum throughput of CO₂ in this system.

Implementation of the EOR projects at the oil fields would result in increased incremental production of oil that would not be recoverable by existing operations. This incremental production would extend the economic life of

the fields and benefit both state and local economies.

PUBLIC PARTICIPATION

Scoping for the project was initiated on March 8, 2000 with a direct mailing to 124 individuals and groups, and a press release to local newspapers, radio and television stations. Responses to the notices were accepted through March 31, 2000. During this period BLM received thirteen comment letters. Six were from individuals and seven were from federal, state, and county agencies. No issues were raised, but the agencies identified information on threatened and endangered species, wildlife, noxious weeds, and historic trails. This information was used during the preparation of the EA.

The EA was issued for public review on March 2, 2001. The review period ended on April 6, 2001. Written comments were received from one individual, the Petroleum Association of Wyoming, and the State of Wyoming, Office of Federal Land Policy, who provided comment letters from six State agencies. Information provided by the Wyoming Department of Transportation resulted in subsequent consultation with that agency, but no new information was provided by the comments received.

Commenters and State agencies were supportive of the project, and in concurrence with the findings of the analysis and the coordination conducted during preparation of the EA.

In a June 11, 2001 letter from the U.S. Fish and Wildlife Service, the Service expressed concerns with possible project impacts to black-footed ferrets, mountain plover, and raptor nesting habitat, and with Platte River System water depletions. Additional consultation with the Service was initiated, as outlined in a previous section of this Decision Record, and the EA was clarified and supplemented accordingly. The Service has concurred with the findings of the BLM's EA, as clarified and supplemented by the BLM's July 5, 2001 letter to the Service. Following receipt of the required check from Petro Source, the Service will notify BLM that formal consultation under section 7 of the Endangered Species Act of 1973, as amended, for this project has been concluded. The July 17, 2001 memorandum from the Service to BLM contains specific details for completion of the consultation process.

FINDING OF NO SIGNIFICANT IMPACT (FONSI)

Based on the analysis of the potential environmental impacts contained in the above referenced EA, I have determined that the impacts are not expected to be significant and an environmental impact statement is not needed.

APPEAL OPPORTUNITY

This decision may be appealed to the Interior Board Of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, part 4 and Form 1842-1 which is available at any BLM office. If an appeal is taken, the notice of appeal must be filed in this office within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed is in error.

If anyone wishes to file a petition pursuant to the regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) or 43 CFR 2804.1 for a stay of the effectiveness of this decision during the time the appeal is being reviewed by the Board, the petition for a stay must accompany the notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision, to the Interior Board of Land Appeals, and to the appropriate Office of the Solicitor (see CFR 4.413) at the same time the original documents are filed with this office. Anyone requesting a stay has the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of decision pending appeal shall show sufficient justification based on the following standards:

- 1) The relative harm to the parties if the stay is granted or denied;
- 2) The likelihood of the appellant's success on the merits;
- 3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- 4) Whether the public interest favors granting a stay.

APPROVED /S/ James K. Murkin
BY: Casper Field Manager

DATE: 7/23/2001