
Howell Petroleum Corporation

CARBON DIOXIDE PIPELINE PROJECT

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

DECISION

It is my decision to amend right-of-way (ROW) grant WYW148827, and issue an additional temporary use permit (TUP) associated with that ROW. Howell Petroleum Corporation is the holder of ROW WYW148827, and amendment of that grant will change the carbon dioxide (CO₂) pipeline size to a 16-inch trunkline, and a 12-inch lateral line. The new TUP will authorize additional construction areas, including an additional 10-foot wide strip alongside much of the existing ROW and TUP.

The new components of the CO₂ project are described in the Howell Petroleum Corporation Carbon Dioxide Pipeline Project Environmental Assessment, EA No. WY-060-03-127 (August 2003). The Plan of Development (POD) (dated March 2003, Revision 5) provides details of project construction, reclamation, operation, and maintenance. These documents are available for review in the BLM Casper and Lander Field Offices. The EA may also be available at the BLM Wyoming website at <http://www.wy.blm.gov/nepa/nepadocs.htm>.

The ROW amendment and new 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.

MITIGATION AND MONITORING

All construction, reclamation, operation, maintenance, and abandonment will be carried out in accordance with the POD that was prepared in conjunction with the EA, and with the applicant-committed mitigating measures identified in the section 2.12 of the EA and incorporated into the POD. The POD (dated March 2003, Revision 5) will become part of the ROW amendment and TUP. The POD includes a compliance plan which will be implemented by Howell Petroleum Corporation with monitoring by representatives of the BLM authorized officer.

All activities related to project construction, reclamation, operation, maintenance, and abandonment shall be conducted in accordance with the mitigation measures detailed in the

“Programmatic Agreement between the Wyoming State Historic Preservation Office and the Bureau of Land Management Casper Field Office Regarding the Howell Petroleum Corporation CO₂ Pipeline Project To be Constructed by Howell Petroleum Corporation” (PA). The referenced PA is in the signature phase as of August 4, 2003. Compliance with the following measure must be fulfilled to mitigate impacts to the Oregon Trail. The required payment should be sent to State Historic Preservation Office, 2301 Central Avenue, Cheyenne, WY 82002; the subject PA should be referenced.

“Prior to construction activities, Howell shall deposit the sum of \$3000 as a grant to the Wyoming SHPO Cultural Records Office (CRO) to post educational information about the Trail on an educational web site at the University of Wyoming. Howell understands that the CRO will use these funds at its discretion so long as the funding is applied to the Oregon/California/Mormon Pioneer/Pony Express National Historic Trails web site. CRO will ensure that appropriate credit is given Howell as a contributing sponsor of the web site.”

If construction is not completed by January 31, 2004 additional resource surveys may be required, particularly for wildlife resources, before construction can be authorized to proceed.

As a condition of ROW amendment and new TUP approval, no surface disturbance will be permitted until Howell Petroleum 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 specific information provided by Howell Petroleum Corporation as set forth in the EA and as described in detail in the POD.

RATIONALE FOR THE DECISION

The decision to amend the grant and issue a new permit to Howell Petroleum 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.

In addition, the rationale for the project which was presented in the Decision Record that I signed on July 23, 2001 remains valid. The findings in EA no. WY-060-01-033, on which I based that 2001 decision, have not substantially changed. The new sizes of the project pipelines will not affect the legal location or terms and conditions of the ROW grant issued, but will provide additional capacity for transporting the increased volumes of carbon dioxide (125 mmscfd).

The proposed TUP will provide additional construction areas needed as a result of project engineering modifications, and for protection of resource values where minor reroutes or special construction techniques are necessary. The added 10-foot area alongside the existing ROW will provide more efficient construction of the project.

The no action alternative was the only alternative considered. The no action alternative would be denial of the requested ROW amendment and new TUP. The existing ROW and TUP authorizations would remain in effect, and could be utilized. However, the current proposal reduces potential impacts to drainages, cultural, and sensitive biological resources by incorporating 10 reroutes. In addition, the Proposed Action utilizes less acreage for pipe and

contractor yards, as compared to the existing ROW and TUP under the No Action. Finally, the No Action alternative would fail to meet Howell's project purpose, to supply initial projected volumes of CO₂ (125 MMSCFD) through the pipeline project.

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

The original ROW and TUP were issued in November 2001 for phases I and II of a buried 12-inch and 8-inch pipeline to transport carbon dioxide (CO₂), following completion of the Petro Source Carbon Dioxide Pipeline Project Environmental Assessment (EA) No. WY-060-01-033. 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. 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.

In late 2002, before any construction had been approved, Howell Petroleum Corporation purchased the project from Petro Source, and application was made to assign these authorizations from PetroSource to Howell Petroleum Corporation. The assignments were approved June 13, 2003, and Howell Petroleum Corporation is the official holder of both authorizations.

After purchase, Howell Petroleum Corporation began performing site-specific inventories and surveys for pipeline location and resource protection areas, and was preparing engineering design, using the Petro Source POD. As they progressed toward final project design, it was determined that engineering modifications were required that would result in the need for additional temporary work areas. This, combined with the economic forecast and determination that larger pipelines would be required to meet carbon dioxide transportation needs, resulted in Howell Petroleum Corporation submitting the application to amend the ROW and the application for a new TUP for this project.

PUBLIC PARTICIPATION

Coordination with the U.S. Fish and Wildlife Service (USFWS) and the State Historic Preservation Office (SHPO) was conducted to provide updated information on project impacts. Informal consultation was completed with the USFWS as part of the impact analysis on federally listed, proposed, and candidate species. Updated surveys were conducted for black-footed ferret, black-tailed prairie dog, bald eagle, mountain plover, and four plant species. The USFWS provided comments on the EA in a memorandum dated July 1, 2003. Cultural surveys also were conducted for the proposed access roads, reroutes, pipe and contractor yards, and TUAs. Survey reports were provided as documentation of no project effects on cultural resources.

Public participation efforts for the original project EA was considered sufficient for the proposed ROW amendment and new TUP. Scoping for the original project was initiated in March, 2000 with a direct mailing to 124 individuals and groups, and a press release to local newspapers, radio and television stations. 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.

After the EA was issued for public review in March, 2001, 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. 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 original EA.

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 BY: _____
Jim Murkin

DATE: _____

Casper Field Manager

/co2/DecRec.0703.Drft
C.Skillman:07/24/03:RD
Revised:08/05/03
08/05/03:FINAL