

RECORD OF DECISION
RILEY RIDGE NATURAL GAS PROJECT

I. SUMMARY

INTRODUCTION

This record of decision (ROD) is for the Riley Ridge natural gas development project which includes the construction, operation, maintenance, and abandonment of a deep gas well field in western Wyoming, gathering lines for the transportation of sour gas within the well field, trunk lines for shipment of sour gas from the well field gathering system to the treatment plants, the treatment plants, sales gas pipelines for delivery of sales gas to existing gas transmission pipelines, and facilities for the handling and transportation of by-products (sulfur and carbon dioxide) to markets. The project represents three individual projects proposed by:

- 1) Northwest Pipeline Corporation and Mobil Oil Corporation
- 2) Exxon Company, U.S.A.
- 3) American Quasar Petroleum Company and Williams Exploration Company.

The applicants have applied to the U.S. Department of the Interior (DOI), Bureau of Land Management (BLM) for right-of-way permits to cross federal land managed by the BLM and Forest Service (FS). An environmental impact statement (EIS) was prepared jointly by BLM and FS. The BLM assumed the administrative lead and was responsible for filing the EIS with the Environmental Protection Agency.

In addition to the proposed project, numerous component alternatives and siting alternatives have been evaluated. These include a sulfur transport alternative, power supply alternative, and employee housing alternative; and the Buckhorn, Shute Creek, and Northern sour gas treatment plant siting alternatives; as well as a No Action Alternative.

DECISION SUMMARY

Based upon the analysis of environmental consequences described in the Riley Ridge Natural Gas Project Environmental Impact Statement, and in consideration of all public, state and federal agency, and industry scoping, hearing, and written comments received, the BLM and FS have jointly identified the Agency Decision to be a modification of the Shute Creek Alternative. The Shute Creek Alternative is modified to the extent that the East Dry Basin plant site is preferred to the Buckhorn plant site. Therefore, plant sites would be Craven Creek, Shute Creek, and East Dry Basin.

Due to differences in agency policy, the Forest Service decisions (i.e., well field roads, powerlines, pipelines, mitigation measures, etc.) are subject to a 45-day administrative review period beginning on the date the ROD is signed. The BLM decisions are not subject to administrative review and therefore may be implemented immediately following the ROD, provided all the preauthorization (i.e. construction and use plans, etc.) requirements are met.

The federal, state, county, and local actions that would be required to implement any of the applicants' proposed projects would generally be the same regardless of the location. These actions are listed in Tables 1-1 through 1-3 (federal actions, state actions, county and local actions) in the DEIS.

As part of the process of issuing the various required authorizations, the agencies require compliance with standard procedures and measures to mitigate potential impacts. These required measures are identified in Attachment B and would be required regardless of the designs of the proposed projects.

The BLM and/or FS will grant or renew use authorizations (i.e., rights-of-way, leases, applications to drill, temporary use permits, etc.) in accordance with the provisions of appropriate federal regulation for the public lands and resources under their respective administrative jurisdiction.

Applications for permit to drill (APDs) will be reviewed by the appropriate BLM or FS field office where site-specific mitigation measures will be attached and forwarded to the BLM Rock Springs District Office for approval.

Amended right-of-way (ROW) applications will be required from the applicants before further processing may take place. Subsequent to receipt of an amended application, construction and use (CU) plans (see page 1-12 of the DEIS), incorporating the mitigation measures appended to this ROD, will be required. The CU plans will be submitted to the issuing office for approval.

Review of the approved APDs or CU plans can be arranged by contacting the appropriate issuing office.

For ROWs on BLM administered lands contact:

Rock Springs District, Pinedale Resource Area Manager (307-367-4358)
Kemmerer Resource Area Manager (307-877-3933).

For ROWs on FS administered lands contact:

Bridger-Teton National Forest, Big Piney District Ranger
(307-276-3375).

For APDs approved on BLM or FS administered lands contact:

Rock Springs District Office, Division of Mineral Resources
(307-382-5350).

AREAS OF CONTROVERSY

Several concerns about the Riley Ridge Project were raised during public scoping meetings and subsequent DEIS review. The most significant issues raised were socioeconomics, wildlife, air quality, and health and safety. Specifics relative to these issues are discussed under Section IV - Management Considerations.

ISSUES TO BE RESOLVED

Implementation of the proposed project would be dependent upon resolution of issues in three areas: socioeconomics, air quality, and water resources. These issues would be resolved in the permitting processes of the Wyoming Industrial Siting Council, the Wyoming Oil and Gas Commission, and the Wyoming Department of Environmental Quality, and the BLM-Mineral Resources Division. The issues for which resolution is expected are discussed below.

Socioeconomics

The Proposed Action would have significant adverse impacts on housing and local public services. Additional housing units and public services would be needed as a result of the increased population to the study area. A schedule and definite plan for meeting these project-generated needs would be required by the Wyoming Industrial Siting Council as part of its permit process. Permission to proceed with project construction would be dependent upon acceptance of a required mitigation plan.

Air Quality

The potential problem associated with Quasar's predicted violation of the SO₂ 24-hour average PSD Class II increment (based on use of off-site meteorological data) would have to be resolved during the PSD permitting process.

Quasar's plant also shows predicted violations of the Wyoming half-hour H₂S standards. Resolution of this problem would be identical to that for SO₂.

The Exxon and Northwest plants will undergo similar review as part of the PSD permitting process. On-site meteorological data would be used by the Wyoming Department of Environmental Quality to verify the results found in the EIS (e.g., no significant impact). If the on-site data showed problems of compliance with PSD increments or air quality standards, that issue would have to be resolved by installation of additional plant emission controls or other appropriate modifications.

Resolution of these issues must be achieved before granting the PSD permit and approval to begin project construction.

Water Resources

The effects on groundwater of deep well reinjection of waste water from the sour gas treatment plants and well field dehydrators have not been fully analyzed due to lack of information on the applicant's injection engineering plans and specific water resources data. Prior to allowing its activity on or off the proposed plant sites, the BLM will require further analysis of impacts. In addition, the Wyoming Oil and Gas Conservation Commission, Wyoming Department of Environmental Quality, and BLM-Minerals Resources Division must review and approve the applicants' disposal plans. The necessary permits or approvals would be required before the applicants could begin drilling new injection wells or injecting in old oil or gas wells.