



US Army Corps
of Engineers®

Regulatory Division
1455 Market Street
San Francisco, CA 94103-1398

SAN FRANCISCO DISTRICT

PUBLIC NOTICE

Project: Venoco Brown Bear Natural Gas

NUMBER: 2008-00436N

DATE: May 6, 2009

RESPONSE REQUIRED BY: June 5, 2009

PROJECT MANAGER: Sahrye Cohen

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1. **INTRODUCTION:** Venoco, Inc. (370 Seventeenth Street, Suite 3900, Denver, Colorado 80202), has applied for a Department of the Army permit to place permanent fill in 0.26 acres of jurisdictional waters of the United States and temporary fill in 3.21 acres of waters of the U.S. for the purpose of constructing a natural gas drilling pad, satellite production facility pad and pipeline connecting the pads to an existing substation in the Suisun Marsh, Solano County, California. This application is being processed pursuant to the provisions of Section 404 of the Clean Water Act (33 U.S.C. Section 1344).

2. PROPOSED PROJECT:

Project Site: The proposed project is located on privately owned lands on Grizzly Island in the Suisun Marsh, in Solano County, California. The proposed project drill pad site is approximately 5.5 miles south of Suisun City and 7.5 miles west of Birds Landing. The unnamed channels and sloughs adjacent to wetlands and other waters in the project area flow into Montezuma Slough to the north and west, which is tidally connected to Suisun Bay. Most of the wetlands in the project area are managed wetlands that are seasonally flooded for use by duck clubs and can be characterized as saline emergent wetland. Vegetation in wetland areas is dominated by pickleweed (*Salicornia virginica*), saltgrass (*Distichlis spicata*) and emergent herbaceous monocots. Upland vegetation is present on constructed roadways and levees in the proposed project area.

Proposed Project: Venoco Inc. proposes to build a 1.03 acre drill pad and to drill three exploratory natural gas wells over a four year period from the Brown Bear Drill Site. Of the 1.03 acre drill pad, 0.57 acre is in Corps jurisdiction. After vegetation is removed and a layer of filter fabric is in place, temporary and permanent fill materials of sand and soil would be used to raise the elevation of the drill pad, which would be capped with gravel. A new access road approximately 20 feet wide and 1,110 feet in length would be used to provide access to the proposed drilling pad. Temporary directional lighting would be used during drilling operations, which would operate 24 hours a day for approximately 20-30 days per well.

If economic quantities of natural gas are discovered a permanent small satellite production facility of 0.03 acres would be constructed approximately 0.50 miles to the north of the well pad. At this time the initially built well pad would be reduced to 0.21 acres in size and any unnecessary temporary fill would be removed and the wetlands underneath restored. This restoration would consist of regrading the wetland areas to original elevations, planting and seed broadcasting of appropriate native herbaceous vegetation and monitoring the restoration for success criteria. During this phase a natural gas pipeline collection system would be installed. A 3-inch high pressure natural gas pipeline and 2-inch water line would be installed between each successful well and the satellite production facility. One 6-inch low-pressure gas pipeline and one 4-inch PVC water line would be installed between the proposed satellite

production facility and the existing Suisun Community #22 production facility. The entire pipeline route is proposed to be 3.26 miles in length and would be installed both within existing roadways and in wetlands. The pipeline would be installed using open-cut trench and boring methods with an approximate alignment of 10 feet wide. Trenching would require a backhoe to establish an open trench 4 to 6 feet deep and approximately 2 feet wide. The top 12 inches of wetland soil would be stockpiled separately. A section of pipeline near the center of the pipeline route would need to be bored under a wetland area for approximately 0.37 miles in length. A bore pad of 0.23 acres would need to be constructed in wetlands for the bore entrance; no pad would be required at the bore exit location. The proposed pipeline would terminate at the existing Suisun Community #22 production facility.

After the conclusion of production the wells will be abandoned and plugged and all material and fill will be removed from the pad sites. The sites will then be restored to wetland and upland habitat in accordance with a USACE-approved restoration and re-vegetation plan.

Mitigation: Jurisdictional waters of the United States on the project site consist of saline emergent wetlands. The total area of habitat that would be filled to construct the project is 3.21 acres of temporary fill and 0.26 acres of permanent fill. The applicant proposes to mitigate for the loss of this habitat by restoration of salt/brackish marsh on the project site, and purchase of brackish marsh credits through a mitigation bank.

Project Purpose and Need: The purpose of the proposed project is to locate an economically feasible source of natural gas.

3. COMPLIANCE WITH VARIOUS FEDERAL LAWS:

National Environmental Policy Act of 1969 (NEPA): The Corps will assess the environmental impacts of the proposed action in accordance with the

requirements of the National Environmental Policy Act of 1969 (42 U.S.C. Section 4371 et. seq.), the Council on Environmental Quality's Regulations (40 C.F.R. Parts 1500-1508), and the Corps' Regulations (33 C.F.R. Part 230 and Part 325, Appendix B). Unless otherwise stated, the Environmental Assessment will describe only the impacts (direct, indirect, and cumulative) resulting from activities within the Corps' jurisdiction. The documents used in the preparation of the Environmental Assessment will be on file with the U.S. Army Corps of Engineers, San Francisco District, Regulatory Division, 1455 Market Street, San Francisco, California 94103-1398.

Endangered Species Act of 1973 (ESA): Section 7 of the Endangered Species Act requires formal consultation with the U.S. Fish and Wildlife Service (FWS) and/or the National Marine Fisheries Service (NMFS) if a Corps permitted project may adversely affect any Federally listed threatened or endangered species or its designated critical habitat

On December 5, 2008, the Corps initiated consultation with the U.S. Fish and Wildlife Service (FWS) for impacts that may affect the salt marsh harvest mouse (SMHM) (*Reithrodontomys raviventris*). The Corps' initial determination is that the proposed action may affect, but is not likely to adversely affect SMHM. Our final determination relative to project impacts and the need for mitigation measures is subject to review by and coordination with the FWS.

Magnuson-Stevens Fisheries Conservation and Management Act: Essential Fish Habitat - The Magnuson-Stevens Fishery Conservation and Management Act requires all Federal agencies to consult with the National Marine Fisheries Service (NMFS) on all actions, or proposed actions permitted by the agency that may adversely affect Essential Fish Habitat (EFH). There are no EFH concerns with this proposed project.

Clean Water Act of 1972 (CWA):

a. Water Quality: Under Section 401 of the Clean Water Act (33 U.S.C. Section 1341), an applicant for a Corps permit must first obtain a State water quality certification before a Corps permit may be issued. No Corps permit will be granted until the applicant obtains the required water quality certification. The Corps may assume a waiver of water quality certification if the State fails or refuses to act on a valid request for certification within 60 days after the receipt of a valid request, unless the District Engineer determines a shorter or longer period is reasonable for the State to act.

Those parties concerned with any water quality issue that may be associated with this project should write to the Executive Officer, California Regional Water Quality Control Board, San Francisco Bay Region, 1515 Clay Street, Suite 1400, Oakland, California 94612 by the close of the comment period of this Public Notice.

b. Alternatives: Evaluation of this proposed activity's impact includes application of the guidelines promulgated by the Administrator of the Environmental Protection Agency under Section 404(b)(1) of the Clean Water Act (33 U.S.C. Section 1344(b)). An evaluation has been made by this office under the guidelines and it was determined that the proposed project is not water dependent.

Coastal Zone Management Act of 1972 (CZMA): Section 307 of the Coastal Zone Management Act requires the applicant to certify that the proposed project is consistent with the State's Coastal Zone Management Program, if applicable. The proposed project is within the Coastal Zone.

The proposed project is within the jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC). A coastal zone consistency determination must be obtained from BCDC by the applicant prior to the issuance of any Department of the Army permit.

National Historic Preservation Act of 1966

(NHPA): Based on a review of survey data on file with various City, State and Federal agencies, no historic or archeological resources are known to occur in the project vicinity. If unrecorded resources are discovered during construction of the project, operations will be suspended until the Corps completes consultation with the State Historic Preservation Office (SHPO) in accordance with Section 106 of the National Historic Preservation Act.

4. PUBLIC INTEREST EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impact, including cumulative impact, of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefits that reasonably may be expected to accrue from the proposed activity must be balanced against its reasonably foreseeable detriments. All factors that may be relevant to the proposal will be considered, including its cumulative effects. Among those factors are: conservation, economics, aesthetics, general environmental concerns, wetlands, fish and wildlife values, land use, recreation, water supply and conservation, water quality, energy needs, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people.

5. CONSIDERATION OF COMMENTS: The Corps of Engineers is soliciting comments from the public, Federal, State and local agencies and officials, Indian Tribes, and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps to determine whether to issue, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest in

the proposed activity.

6. SUBMISSION OF COMMENTS: Interested parties may submit, in writing, any comments concerning this activity. Comments should include the applicant's name and the number and the date of this Public Notice, and should be forwarded so as to reach this office within the comment period specified on Page 1. Comments should be sent to the U.S. Army Corps of Engineers, San Francisco District, Regulatory Division, 1455 Market Street, San Francisco, California 94103-1398. It is the Corps' policy to forward any such comments that include objections to the applicant for resolution or rebuttal. Any person may also request, in writing, within the comment period of this Public Notice that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, the reasons for holding a public hearing. Additional details may be obtained by contacting the applicant whose name and address are indicated in the first paragraph of this Public Notice or by contacting Sahrye Cohen of our office at telephone 415-503-6779 or E-mail: Sahrye.E.Cohen@usace.army.mil. Details on any changes of a minor nature that are made in the final permit action will be provided upon request.