



US Army Corps
of Engineers®
San Francisco District

SAN FRANCISCO DISTRICT

Regulatory Division
1455 Market Street, 16th Floor
San Francisco, CA 94103-1398

PUBLIC NOTICE

PROJECT: Veneco Suisun 26 Natural Gas Exploration Project
and Lang-Tule Mitigation Project

PUBLIC NOTICE NUMBER: 2010-00127N and 2012-00062N

PUBLIC NOTICE DATE: 07-13-2012

COMMENTS DUE DATE: 08-14-2012

PERMIT MANAGER: Sahrye Cohen

TELEPHONE: 415-503-6779

E-MAIL: Sahrye.E.Cohen@usace.army.mil

1. **INTRODUCTION:** Veneco, Inc. (370 Seventeenth Street, Suite 3900, Denver, Colorado 80202), through its agent, Robert Booher Consulting (POC: Mr. Bob Booher), 3221 Quail Hollow Drive, Fairfield, California 94533, has applied to the U.S. Army Corps of Engineers (USACE), San Francisco District, for a Department of the Army Permit to place temporary fill in 1.66 acres and permanent fill in 1.14 acres of wetland waters of the U.S. for instillation of a drill pad, drilling one exploratory natural gas well, a new 145 foot long gravel access road, culvert crossing, and construction of a low-pressure gas pipeline to connect to existing pipeline and production facilities in the Suisun Marsh, Solano County, California. This Department of the Army permit application is being processed pursuant to the provisions of Section 404 of the Clean Water Act of 1972, as amended (33 U.S.C. § 1344 *et seq.*).

2. PROPOSED PROJECT:

Project Site Location: The proposed project site is located in the Suisun Marsh, Solano County, California approximately 6.3 miles south of Suisun City, and 7.5 miles northwest of Birds Landing. The Grizzly Island Wildlife Area is located to the north of the proposed project site on the west side of Montezuma Slough. Grizzly Bay is located 0.15 miles south of the proposed well site. Access to the project site off Van Sickle Road is through a privately-owned duck club roadway.

Project Site Description: The proposed project site is primarily managed coastal brackish marsh with areas of ruderal grassland on upland berms. The area is utilized mainly for recreational purposes including boating,

seasonal duck hunting, fishing, hiking and wildlife viewing.

Project Description: As shown in the attached drawings, the applicant proposes to drill one exploratory natural gas well from the proposed Suisun 26 Project Site. If economical quantities of natural gas are discovered, Veneco would install the necessary production equipment and a natural gas pipeline from the producing well to an existing natural gas pipeline located approximately 0.7 miles to the southwest. The proposed project includes three phases: a site preparation phase, a drilling and testing phase, and a production phase.

Project area boundaries would be clearly delineated by project biologists to ensure all activities are confined to the approved work area. After vegetation is removed from the well pad area a layer of filter fabric would be placed over the surface and fill materials consisting of sand and/or base rock would be used to construct the approximately 200 feet by 325 feet (1.5 acres) well pad. Existing gravel roads, Van Sickle and Dale Erhardt Road, would be used to provide access to the proposed project area. The driveway off Dale Erhardt Road would be increased by 150 square feet with AB road base rock. A new 48" by 80 foot long culvert crossing over an existing ditch would be installed adjacent to the proposed project site. A new 145 foot long by 10 foot wide gravel access road would be constructed from the existing gravel road to the proposed project site. The project proponent estimates that approximately 7 to 10 days will be needed to prepare the site. The site preparation phase, including pad and access road construction would require approximately 195 total truck trips.

After site preparation the drilling rig would be mobilized and rigged up, this would require approximately two to five days. If the well is determined to have economic production potential, production casing would be run and cemented. Equipment, personnel, and supply deliveries would continue through the course of the drilling program. Drilling activities would operate 24 hours per day, and each well may require approximately 20 to 30 days to drill. Approximately 12 to 15 personnel would be onsite and temporary directional lighting would be used during drilling operations for safety. After the well is drilled and the well is either completed or abandoned the drilling rig and related equipment will be removed from the well site or will be positioned to drill another well. These activities would be completed for each of the three exploratory wells. The drilling and testing phases for each exploratory well will require approximately 370 total vehicle trips.

If economic quantities of natural gas are discovered, the well would be completed, the well pad reduced to 50 by 80 feet (0.09 acre), and a separator and meter installed. The project proponent proposes to paint all production equipment in camouflage or earth tone to blend in with the environment and prevent glare. A 6-inch low-pressure gas pipeline would need to be installed from the well site to an existing natural gas pipeline. This pipeline would be installed within the proposed access road and existing access roads. The proposed pipeline would be installed using traditional open-cut trench and boring methods. The installation of the production equipment and proposed pipeline for the first well would require approximately 150 total vehicle trips.

At the conclusion of the well's economic life (production), or if no economic quantities of gas are discovered, the well would be abandoned and plugged according to the State of California, Department of Conservation, Division of Oil, Gas and Geothermal Resources regulations. Once all wells are abandoned and plugged, surface equipment will be removed from the well site. Any sand and/or gravel used to build the well site would then be removed. Contours would be re-established to near grade conditions present at the time of project initiation. After all equipment is removed the site would be restored back to wetland and upland habitat in accordance with a USACE-approved restoration and re-vegetation plan.

Basic Project Purpose: The basic project purpose comprises the fundamental, essential, or irreducible

purpose of the project, and is used by USACE to determine whether the project is water dependent. The basic project purpose is natural gas extraction.

Overall Project Purpose: The overall project purpose serves as the basis for the Section 404(b)(1) alternatives analysis, and is determined by further defining the basic project purpose in a manner that more specifically describes the applicant's goals for the project, while allowing a reasonable range of alternatives to be analyzed. The overall project purpose is to locate an economically feasible source of natural gas in the Suisun Marsh.

Project Impacts: The proposed project would result in the discharge of temporary fill material into 1.66 acres of wetlands of the U.S. for pipeline installation and well site installation and the permanent discharge of fill material in 0.14 acres of wetlands of the U.S. for well pad installation.

Proposed Mitigation: The applicant proposes to mitigate for the impacts to wetlands by restoring and enhancing wetland at the 255 acre Lang-Tule Ranch property in Suisun Marsh. The proposed mitigation is located in southern unincorporated Solano County, east of the Suisun City limits, southwest of State Highway 12, east of the Lawler Ranch residential development, and west of the closed Solano Landfill. The proposed mitigation involves conversion of approximately 27 acres of diked non-tidal and muted tidal basins to a tidal system, and the restoration of adjacent grassland and degraded vernal pools. The property currently supports habitat for a variety of special-status species including the federal and state listed endangered California clapper rail (*Rallus longirostris obsoletus*) and salt-marsh harvest mouse (*Reithrodontomys raviventris*). Restoring the property to a natural tidal system and enhancing the adjacent vernal pool and freshwater marsh areas would increase the habitat value for these special-status species. The site is appropriately situated at the northern border of the Suisun Marsh to create additional wetland habitat that is contiguous with existing habitat.

Project Alternatives: The project proponent has submitted an alternatives analysis. Under the No Action Alternative the proposed project would not be implemented. This would result in no impacts to wetlands and other waters of the U.S., but would not meet the stated project purpose and need.

The Construct Drilling Site Over Bottom Hole Location Alternative would require a drill site of approximately 1.5 acres in size. This well site would be located directly over the bottom hole location rather than immediately adjacent to an existing roadway. Production equipment including storage tanks, piping, heater, dehydrator and compressor would need to be installed on the well site. A new access road would need to be constructed with an estimate of an additional 1.2 acres of impacted for a 0.5 mile road. Under this scenario approximately 2.7 acres of wetland and upland habitat in Suisun Marsh would be impacted. The Corps will conduct an independent review of project alternatives.

3. STATE AND LOCAL APPROVALS:

Water Quality Certification: State water quality certification or a waiver is a prerequisite for the issuance of a Department of the Army Permit to conduct any activity which may result in a fill or pollutant discharge into waters of the United States, pursuant to Section 401 of the Clean Water Act of 1972, as amended (33 U.S.C. § 1341 *et seq.*). The applicant has recently submitted an application to the California Regional Water Quality Control Board (RWQCB) to obtain water quality certification for the project. No Department of the Army Permit will be issued until the applicant obtains the required certification or a waiver of certification. A waiver can be explicit, or it may be presumed, if the RWQCB fails or refuses to act on a complete application for water quality certification within 60 days of receipt, unless the District Engineer determines a shorter or longer period is a reasonable time for the RWQCB to act.

Water quality issues should be directed 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.

Coastal Zone Management: Section 307(c) of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. § 1456(c) *et seq.*), requires a non-Federal applicant seeking a federal license or permit to conduct any activity occurring in or affecting the coastal zone to obtain a Consistency Certification that indicates the activity conforms with the State's coastal zone management program. Generally, no federal license or permit will be granted until the appropriate State agency has issued a Consistency Certification or has waived its right to do so. Since the project occurs in the coastal zone or may affect

coastal zone resources, the applicant the applicant has applied for a Consistency Certification from the San Francisco Bay Conservation and Development Commission to comply with this requirement.

Coastal zone management issues should be directed to the Executive Director, San Francisco Bay Conservation and Development Commission, 50 California Street, Suite 2600, San Francisco, California 94111, by the close of the comment period.

Other Local Approvals: The applicant applied for the following additional governmental authorizations for the project: Solano County Department of Resource Management, Conditional Use Permit/Marsh Development Permit; Solano County Department of Resource Management, Grading Permit.

4. COMPLIANCE WITH VARIOUS FEDERAL LAWS:

National Environmental Policy Act (NEPA): Upon review of the Department of the Army permit application and other supporting documentation, USACE has made a *preliminary* determination that the project neither qualifies for a Categorical Exclusion nor requires the preparation of an Environmental Impact Statement for the purposes of NEPA. At the conclusion of the public comment period, USACE will assess the environmental impacts of the project in accordance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. §§ 4321-4347), the Council on Environmental Quality's Regulations at 40 C.F.R. Parts 1500-1508, and USACE Regulations at 33 C.F.R. Part 325. The final NEPA analysis will normally address the direct, indirect, and cumulative impacts that result from regulated activities within the jurisdiction of USACE and other non-regulated activities USACE determines to be within its purview of Federal control and responsibility to justify an expanded scope of analysis for NEPA purposes. The final NEPA analysis will be incorporated in the decision documentation that provides the rationale for issuing or denying a Department of the Army Permit for the project. The final NEPA analysis and supporting documentation will be on file with the San Francisco District, Regulatory Division.

Endangered Species Act (ESA): Section 7(a)(2) of the ESA of 1973, as amended (16 U.S.C. § 1531 *et seq.*), requires Federal agencies to consult with either the U.S. Fish and Wildlife Service (USFWS) or the National

Marine Fisheries Service (NMFS) to insure actions authorized, funded, or undertaken by the agency are not likely to jeopardize the continued existence of any Federally-listed species or result in the adverse modification of designated critical habitat. As the Federal lead agency for this project, USACE has conducted a review of the California Natural Diversity Data Base, digital maps prepared by USFWS and NMFS depicting critical habitat, and other information provided by the applicant, to determine the presence or absence of such species and critical habitat in the project area. Based on this review, USACE has made a preliminary determination that the following Federally-listed species are present at the project location or in its vicinity, and may be affected by project implementation. The proposed project area contains suitable foraging and nesting habitat for the Federally-listed California clapper rail (*Rallus longirostris obsoletus*) and salt-marsh harvest mouse (*Reithrodontomys raviventris*). To address project related impacts to these species USACE has initiated formal consultation with USFWS pursuant to Section 7(a) of the Act. Any required consultation must be concluded prior to the issuance of a Department of the Army Permit for the project

Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA): Section 305(b)(2) of the MSFCMA of 1966, as amended (16 U.S.C. § 1801 *et seq.*), requires Federal agencies to consult with the National Marine Fisheries Service (NMFS) on all proposed actions authorized, funded, or undertaken by the agency that may adversely affect essential fish habitat (EFH). EFH is defined as those waters and substrate necessary to fish for spawning, breeding, feeding, or growth to maturity. EFH is designated only for those species managed under a Federal Fisheries Management Plan (FMP), such as the *Pacific Groundfish FMP*, the *Coastal Pelagics FMP*, and the *Pacific Coast Salmon FMP*. As the Federal lead agency for this project, USACE has conducted a review of digital maps prepared by NMFS depicting EFH to determine the presence or absence of EFH in the project area. Based on this review, USACE has made a *preliminary* determination that EFH is not present at the project location or in its vicinity, and that consultation will not be required. USACE will render a final determination on the need for consultation at the close of the comment period, taking into account any comments provided by NMFS.

Marine Protection, Research, and Sanctuaries Act (MPRSA): Section 302 of the MPRS of 1972, as

amended (16 U.S.C. § 1432 *et seq.*), authorizes the Secretary of Commerce, in part, to designate areas of ocean waters, such as the Cordell Bank, Gulf of the Farallones, and Monterey Bay, as National Marine Sanctuaries for the purpose of preserving or restoring such areas for their conservation, recreational, ecological, or aesthetic values. After such designation, activities in sanctuary waters authorized under other authorities are valid only if the Secretary of Commerce certifies that the activities are consistent with Title III of the Act. No Department of the Army Permit will be issued until the applicant obtains the required certification or permit. The project does not occur in sanctuary waters, and a *preliminary* review by USACE indicates the project would not likely affect sanctuary resources. This presumption of effect, however, remains subject to a final determination by the Secretary of Commerce, or his designee.

National Historic Preservation Act (NHPA): Section 106 of the NHPA of 1966, as amended (16 U.S.C. § 470 *et seq.*), requires Federal agencies to consult with the appropriate State Historic Preservation Officer to take into account the effects of their undertakings on historic properties listed in or eligible for listing in the *National Register of Historic Places*. Section 106 of the Act further requires Federal agencies to consult with the appropriate Tribal Historic Preservation Officer or any Indian tribe to take into account the effects of their undertakings on historic properties, including traditional cultural properties, trust resources, and sacred sites, to which Indian tribes attach historic, religious, and cultural significance. As the Federal lead agency for this undertaking, USACE has conducted a review of latest published version of the *National Register of Historic Places*, survey information on file with various city and county municipalities, and other information provided by the applicant, to determine the presence or absence of historic and archaeological resources within the permit area. Based on this review, USACE has made a *preliminary* determination that historic or archaeological resources are not likely to be present in the permit area, and that the project either has no potential to cause effects to these resources or has no effect to these resources. USACE will render a final determination on the need for consultation at the close of the comment period, taking into account any comments provided by the State Historic Preservation Officer, the Tribal Historic Preservation Officer, the Advisory Council on Historic Preservation, and Native American Nations or other tribal governments.

5. COMPLIANCE WITH THE SECTION 404(b)(1)

GUIDELINES: Projects resulting in discharges of dredged or fill material into waters of the United States must comply with the Guidelines promulgated by the Administrator of the Environmental Protection Agency under Section 404(b) of the Clean Water Act (33 U.S.C. § 1344(b)). An evaluation pursuant to the Guidelines indicates the project is not dependent on location in or proximity to waters of the United States to achieve the basic project purpose. This conclusion raises the (rebuttable) presumption of the availability of a less environmentally damaging practicable alternative to the project that does not require the discharge of dredged or fill material into special aquatic sites. The applicant has submitted an analysis of project alternatives which is being reviewed by USACE.

6. PUBLIC INTEREST EVALUTION: The decision on whether to issue a Department of the Army Permit will be based on an evaluation of the probable impacts, including cumulative impacts, of the project and its intended use on the public interest. Evaluation of the probable impacts requires a careful weighing of the public interest factors relevant in each particular case. The benefits that may accrue from the project must be balanced against any reasonably foreseeable detriments of project implementation. The decision on permit issuance will, therefore, reflect the national concern for both protection and utilization of important resources. Public interest factors which may be relevant to the decision process include conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people.

7. CONSIDERATION OF COMMENTS: USACE is soliciting comments from the public; Federal, State and local agencies and officials; Native American Nations or other tribal governments; and other interested parties in order to consider and evaluate the impacts of the project. All comments received by USACE will be considered in the decision on whether to issue, modify, condition, or deny a Department of the Army Permit for the project. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, and other environmental or public interest factors addressed in a final environmental assessment or environmental impact statement. Comments are also used

to determine the need for a public hearing and to determine the overall public interest of the project.

8. SUBMITTING COMMENTS: During the specified comment period, interested parties may submit written comments to Sahrye Cohen, San Francisco District, Regulatory Division, 1455 Market Street, 16th Floor, San Francisco, California 94103-1398; comment letters should cite the project name, applicant name, and public notice number to facilitate review by the Regulatory Permit Manager. Comments may include a request for a public hearing on the project prior to a determination on the Department of the Army permit application; such requests shall state, with particularity, the reasons for holding a public hearing. All substantive comments will be forwarded to the applicant for resolution or rebuttal. Additional project information or details on any subsequent project modifications of a minor nature may be obtained from the applicant and/or agent, or by contacting the Regulatory Permit Manager by telephone or e-mail cited in the public notice letterhead. An electronic version of this public notice may be viewed under the *Current Public Notices* tab on the USACE website: <http://www.spn.usace.army.mil/regulatory/>.