

Decision Notice
& Finding of No Significant Impact
TPF II East Texas Gathering, LLC
Newfield-Huxley 12-Inch Natural Gas Gathering Pipeline

Angelina/Sabine Ranger District, Sabine National Forest
Shelby County, Texas

Background

TPF II East Texas Gathering, LLC (TPF II) has requested the issuance of a Special Use Permit (SUP) to install and operate 6.6 miles of new 12-inch diameter natural gas gathering pipeline and five (5) meter station surface facilities located on United States Forest Service (USFS) land within the administrative boundaries of Compartments 9, 15, 16, and 19 of the Sabine National Forest (SNF). The Environmental Assessment (EA) documents the analysis of four (4) alternatives to meet this need.

This action is needed to provide a market outlet of sufficient size to accommodate currently produced and estimated future production of natural gas volumes of up to 60 million standard cubic feet (mcf) of natural gas per day to an existing TPF II gathering trunkline west of the SNF boundary.

The proposed project is driven by a current and future need to efficiently transport natural gas produced from wells inside the SNF boundary, occurring north and south of FM 2694.

Newfield Exploration Company (Newfield) acquired the mineral leases for these units inside the national forest in 2009. Commencing in 2010, Newfield submitted four (4) Applications for Permit to Drill (APD) for well pads, flowlines, and access roads. Based upon the mineral lease and production unit designations in 2011, Newfield has and is filing additional APD's for authorization to expand exploration and production in their lease area inside the SNF. Newfield sought gathering services from TPF II to obtain relief from the lack of gas gathering infrastructure in December 2010. TPF II is the sole company with a larger capacity gathering pipeline in near vicinity to the proposed production well locations.

TPF II submitted their request for a SUP on March 14, 2011. A meeting with an USFS Interdisciplinary Team (IDT) and representatives of TPF II occurred May 19, 2011. On September 30, 2011, a Scoping Letter was issued to the recognized Native American tribes, state and federal legislative and agency representatives, and members of the general public who requested notification of pending actions. A collaborative meeting with an interested member of the public was held by the USFS on November 8, 2011 at the Boles Field shelter, SNF. Comments received in response to the scoping letter and meeting are discussed in the Public Involvement section (see EA page 5).

The need for this project is driven by the lack of a market outlet sufficient to transport the produced volumes of natural gas without limiting production and potentially impacting well viability by restricting gas flows. The production wells which this pipeline would service are producing from the Haynesville Shale formation underlying the National Forest. Without a means to transport the produced natural gas, production from the wells either must be closed in (no flow) or restricted (throttled flows). Once a shale formation production well is “fraced” and the flow of natural gas commences, closing or throttling the gas production can severely damage or kill the well, forcing the production company to either abandon the well, or re-drill.

Currently, Newfield is permitting flow lines from their well locations inside the SNF to interconnect with an existing gas pipeline operated by CenterPoint which runs parallel to FM 2694. The issue with using and continuing to utilize the CenterPoint pipeline is that the line commences as an 8-inch diameter line on one side of the National Forest, reduces to a 4-inch diameter pipeline in the middle, and then drops to a 3-inch diameter line on the other end of the SNF. The existing gas service, small pipeline diameter, and operational limits due to an aging pipeline provide limited and interrupted flow service to two existing Newfield production wells. Both spend multiple hours each day blocked and unable to flow gas due to the physical limitations of the CenterPoint pipeline. An inquiry to purchase the CenterPoint pipeline, and upgrade by replacement, was made by TPF II. CenterPoint is uninterested in taking the existing pipeline out of service so it can be replaced with a new larger diameter pipeline.

The proposed TPF II pipeline would provide gathering service and market outlet for the produced volumes from the existing and future Newfield production wells inside the SNF.

This action responds to the goals and objectives outlined within the Energy Policy Act of 2005; the National Forests and Grasslands in Texas (NFGT) 1996 Revised Land and Resource Management Plan (the Plan), and the Final Environmental Impact Statement (EIS) and Record of Decision (ROD) for Vegetation Management in the Coastal Plain/Piedmont dated February 27, 1989.

Decision

Based upon my review of all alternatives presented in the EA, I have decided to implement Alternative 2, the Proposed Action, which would be the installation and operation of 6.6 miles of new 12-inch diameter natural gas gathering pipeline, named the Newfield Huxley 12-Inch Natural Gas Gathering Pipeline Project (the Project), and five 30-ft by 30-ft (0.1 acres total) surface sites interconnecting to Newfield wells. The pipeline would be installed within a 50-ft-wide construction ROW comprised of a 30-ft-wide permitted easement abutting an existing Texas Department of Transportation (TXDOT) easement associated with FM 2694. The remaining 20-ft of width would be temporary workspace allocated from within the FM 2694 easement. The gas pipeline right-of-way (ROW) would enter SNF land on the west edge of Compartment 9 on the north side of FM 2694 at a point 105 feet (ft.) east of its beginning on private lands. From there, the ROW would proceed approximately 700 ft. eastward parallel to FM 2694 before crossing FM 2694 into Compartment 15 at a point just east of the existing CenterPoint Energy (CenterPoint) compressor station near the west side of compartment 15. The pipeline route would then proceed 6.46 miles eastward paralleling the south side of FM 2694, transecting Compartments 15, 16 and 19, FM 3471, and Forest Service Roads 165 and 181 before exiting SNF land to private property. The total authorized use area within the SNF would

be 40.2 acres (16.0 acres of temporary use and 24.2 acres of permanent easement) with 27,143 linear ft. of surface disturbance (31.25 acres) resulting from the clearing of vegetation for the proposed construction activities and avoidance of 7,794 ft. (8.9 acres) of surface impacts by horizontal directional drills (HDD) or bores.

When compared to the other alternatives the Proposed Action would affect less acreage of forest resources. Each of the three other alternatives has similar abilities to implement alternate construction methods to avoid sensitive or significant resources; however, none would accomplish the project goals for reasons previously outlined in the Purpose and Need section of this assessment. This alternative meets requirements in conformance with the 1996 Revised Land and Resource Management Plan for the National Forests and Grasslands in Texas.

Other Alternatives Considered

In addition to the selected alternative, I considered three other alternatives. A comparison of these alternatives can be found in the EA on pages 15 and 16.

Alternative 1

No Action

Under the No Action alternative, current management plans would continue to guide management of the project area.

Alternative 3

Alternative 3 is a replacement of the existing CenterPoint pipeline with a new larger diameter pipeline that would provide service to the existing customers and to Newfield. To minimize the effects to resources inside the national forest, an “in-trench” replacement process would be used that would require decommissioning and removal of the existing line, a process that would cut off service (temporarily) to all existing private and public customers who currently rely on this pipeline for gas service.

The total SNF land proposed for use for the workspace requirements for this alternative would consist of a 6.6-mile-long (34,732 ft.), 60-ft-wide construction ROW (47.8 acres) in Forest Service lands not classified as RCW management habitat. The existing 30-ft wide maintenance easement could be used for a portion of this space and the remaining 30- ft. in width would require the clearing and temporary affect to forest stands immediately adjacent to the easement. HDDs would avoid impacts to the Boles Field Campground, known cultural resources, streams, and 50 meter buffers on either side of these resources. Horizontal bores would be used to install the pipeline beneath Forest Roads 107, 142, 143 and 163. Drills and bores of known resources would avoid a minimum of 1,890 ft. of SNF lands and reduce surface impacts by 2.17 acres.

Of the 34,732 ft. (47.8 acres) of SNF land proposed for use, the in-trench replacement would result in the need to clear approximately 32,842 ft. (22.6 acres) of forested SNF lands and 22.6 acres within the existing maintained pipeline easement for temporary workspace to safely accomplish the replacement installation of the new pipeline.

While this alternative would be feasible, the interruption of service and the associated costs of discontinuing service to their customers during the installation of the Project are sufficient enough that CenterPoint is unwilling to agree to such an action.

Alternative 4

Alternative 4 would install the new pipeline on the north side of FM 2694 immediately north of and parallel to the existing CenterPoint pipeline in an area not classified as RCW management habitat within 34,732 ft. (47.8 acres) of SNF land and would not interrupt existing gas services provided by CenterPoint. To avoid damaging the CenterPoint line and potential safety issues, 10-ft in width of the maintenance easement could be utilized for construction and 40-ft in width of new workspace would be needed from the SNF compartments with 30-ft in width of the 50-ft wide workspace retained as the maintenance easement for the new 6.6-mile-long utility.

HDDs would be used to install the pipeline and avoid impacts to the Boles Field Campground, streams, and 50 meter buffers either side of these resources. Horizontal bores would be used to install the pipeline beneath Forest Roads 107, 142, 143 and 163 and cultural resources. Drills and bores of known resources would avoid a minimum of 1,890 ft. of SNF lands and reduce surface impacts by 2.17 acres.

This alternative would impact more forested acreage within the SNF than the preferred option.

Public Involvement

As described in the background, the need for this action arose in December 2010. A proposal for the installation of the 6.6 miles of new 12-inch diameter natural gas gathering pipeline and surface sites interconnecting to Newfield wells was listed in the Schedule of Proposed Actions and was provided to the public and other agencies for comment by a public scoping letter issued on September 30, 2011. A collaborative meeting with an interested member of the public was held by the USFS on November 8, 2011 at the Boles Field shelter, SNF. In addition, as part of the public involvement process, using the comments from the public, other agencies, Native American Tribes, and the public (see *Issues* section of EA page 5), the Interdisciplinary Team (IDT) identified several issues regarding the effects of the proposed action. Main issues of concern were divided into two groups: issues to be analyzed in depth and issues not requiring further analysis.

Issues to be analyzed in depth were defined as those directly or indirectly caused by implementing the proposed action. Issues not requiring further analysis were identified as those outside the scope of the proposed action; already decided by law, regulation, Forest Plan, or other higher level decision; irrelevant to the decision to be made; or conjectural and not supported by scientific or factual evidence.

As for issues to be analyzed in depth (see EA page 6), the IDT identified the following raised during scoping:

1. Forest compartments 15, 16, and 19, on the south side of FM 2694, in the SNF are part of the Habitat Management Areas managed for red-cockaded woodpecker (*Picoides borealis*) (RCW) habitat.
2. Socio-economic issues including the loss of timber value and financial benefits from minerals.
3. Visual resources.
4. Public health and safety issues related to the removed timber being mulched or hauled off-site rather than being burned.

5. Archeological resource issues related to known archaeological sites to be protected and the potential for discovery of new archaeological sites.
6. Avoidance of impacts to perennial and intermittent streams and springs.

The three issues not requiring further analysis (see EA page 5) include:

1. Effects of the project on special uses.
2. Presence of existing utility lines (electric, water, gas) along FM 2694.
3. Presence of Boles Field and the National Hall of Fame Cemetery of Fox Hounds adjacent to FM 2694.

To address these concerns, the Forest Service incorporated each of these issues into the Alternatives analysis described and discussed above.

Finding of No Significant Impact

After considering the environmental effects described in the EA, I have determined that these actions will not have a significant effect on the quality of the human environment considering the context and intensity of impacts (40 CFR 1508.27). Thus, an environmental impact statement will not be prepared. I base my finding on the following:

1. My finding of no significant environmental effects is not biased by the beneficial effects of the action.
2. There will be no significant effects on public health and safety. No direct or indirect effects from the proposed action are expected if Forest Service guidelines and best management practices (BMPs) are incorporated in dealing with spills and contamination issues related to the proposed action. The project is to be constructed in compliance with the minimum standards for corrosion protection, leak testing, strength testing and reporting. Safe road conditions and working conditions are to be promoted along with the development and implementation of a health and safety plan to help prevent incidents from occurring during the construction, operation and maintenance of the project. Any environmental releases are expected to remain localized and require immediate remediation in accordance to Forest Service guidelines and BMPs for spills and contaminations (see EA page 64).
3. There will be no significant effects on unique characteristics of the area because effects to streams, wetlands, historic or cultural resources, the Boles Field Campground, and National Hall of Fame Cemetery of Fox Hounds will be avoided by horizontal directional drills (see EA pages 6, 7, 9, 14, 36, 39 and 51).
4. The effects on the quality of the human environment are not likely to be highly controversial because there is no known scientific controversy over the impacts of the project.
5. We have considerable experience with the types of activities to be implemented. The effects analysis shows the effects are not uncertain and do not involve unique or unknown risk.

6. The action is not likely to establish a precedent for future actions with significant effects. Any future proposed pipeline utilities would have to be individually evaluated for effects in accordance with applicable regulations and the 1996 Revised Land and Resource Management Plan for the National Forests and Grasslands in Texas
7. The cumulative impacts are not significant (see EA pages 18-67).
8. The action will have no significant adverse effect on districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places. It will also not cause loss or destruction of significant scientific, cultural, or historical resources because the three previously recorded and two newly recorded segments of the Myrick's Ferry Road and a mid-20th Century industrial site recorded in the Project area would be avoided by HDD with a 50 meter buffer on either side (see EA pages 62-63).
9. The action will not adversely affect any endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973 because the lands immediately adjacent to and within the proposed area of effect were not observed to support, and are not known to support, occurrences of any individual federal listed species (see EA pages 42).
10. The action will not violate Federal, State, and local laws or requirements for the protection of the environment. Applicable laws and regulations were considered in the EA (see EA pages 4-5). The action is consistent with the 1996 National Forests and Grasslands in Texas Land and Resource Management Plan.

Findings Required by Other Laws and Regulations

This decision to approve TPF II East Texas Gathering, LLC (TPF II) request for a Special Use Permit (SUP) to install and operate 6.6 miles of new 12-inch diameter natural gas gathering pipeline and five (5) meter station surface facilities located on USFS land within the administrative boundaries of Compartments 9, 15, 16, and 19 of the Sabine National Forest (SNF), is consistent with the intent of the forest plan's long term goals and objectives outlined within the Energy Policy Act of 2005; the National Forests and Grasslands in Texas (NFGT) 1996 Revised Land and Resource Management Plan (the *Plan*), and the Final Environmental Impact Statement (EIS) and Record of Decision (ROD) for Vegetation Management in the Coastal Plain/Piedmont dated February 27, 1989. The project was designed in conformance with land and resource management plan standards and incorporates appropriate land and resource management plan guidelines for the protection of threatened, endangered, or sensitive species; affects to visual resources; public health and safety; protection of cultural resources, and the protection of stream and springs.

Implementation Date

If no appeals are filed within the 45-day time period, implementation of the decision may occur on, but not before, 5 business days from the close of the appeal filing period. When appeals are

filed, implementation may occur on, but not before, the 15th business day following the date of the last appeal disposition.

Administrative Review or Appeal Opportunities

This decision is subject to administrative review (appeal) pursuant to 36 CFR Part 215. The appeal must be filed (regular mail, fax, email, hand-delivery, or express delivery) with the Appeal Deciding Officer, Mark E. Van Every, Forest Supervisor, 2221 N. Raquet St, Lufkin, Texas 75904, fax (936) 639-8511. The office business hours for those submitting hand-delivered appeals are 8:00 a.m. to 4:30 p.m. Monday through Friday excluding holidays. Electronic appeals must be submitted in a format such as an email message, plain text (.txt), rich text format (.rtf), or Word (.doc) to appeals-southern-texas@fs.fed.us. In cases where no identifiable name is attached to an electronic message, a verification of identity will be required. A scanned signature is one way to provide verification. Appeals, including attachments, must be filed within 45 days from the publication date of this notice in the Lufkin News, the newspaper of record. Attachments received after the 45 day appeal period will not be considered. The publication date in the Lufkin News, newspaper of record, is the exclusive means for calculating the time to file an appeal. Those wishing to appeal this decision should not rely upon dates or timeframe information provided by any other source.

Individuals or organizations who submitted substantive comments during the comment period specified at 215.6 may appeal this decision. The notice of appeal must meet the appeal content requirements at 36 CFR 215.14.

Contact

For additional information concerning this decision or the Forest Service appeal process, contact Acting District Ranger Jason A. Engle, 5050 State Highway 21 East, Hemphill, TX 75948, (409)-625-1940.

/s/ Jason A. Engle

9/16/2013

JASON A. ENGLE
Acting District Ranger
Angelina/Sabine Ranger District,
Sabine National Forest

Date