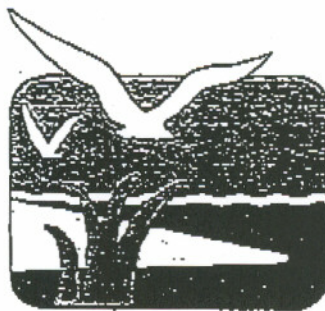

*** TX REPORT ***

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FAX

Cover Sheet



U.S. Department of the Interior
National Park Service
Padre Island National Seashore
P.O. Box 181300
Corpus Christi, Texas 78480-1300
Tel. 361-949-8173 Fax 361-949-8286

FAX RECIPIENT: Linda DansbyFROM: Arlene WimerSubject: alternatives dismissed/BnDate: 24 may 02NPS DOCUMENT# 568

Water Well Development

A temporary water well located on the drill pad will be drilled to provide a source of water for the drilling operation. This well will provide 1,302,000 gallons of water from the Goliad geologic formation located at a depth of 1,400-1,700 feet. This water well will be similar to the water well drilled during the Dunn-Murdock #1 operation at Yarborough Pass in March 2002.

Production Facility and Associated Flow Line

If BNP's proposed well(s) prove to be productive, a production facility will be placed on the existing well pad. The pad size will be reduced from 136,603 sq. ft. (3.6 ac.) to 69,300 (1.6 ac.), which is approximately half of the pads original size. Equipment necessary for a production facility includes a heliport, storage tanks, compressors, meter runs, dehydrators, heaters, and other equipment. Caliche, lined berms will be constructed around all storage containers to create a protective area large enough to contain 1.5 times the volume of the largest tank. A permanent chainlink fence and gate will be constructed around the facility in place of the temporary barbed-wire fence previously installed.

Contingent upon the production rates of the well(s), a flow line ranging from a minimum of three to a maximum of ten in. will be constructed and connected to either the Duke Energy or the AEP (formerly Enron/HPL) existing delivery pipelines. The selection of the delivery pipeline is dependent upon current negotiations and compliance with federal and state regulations. A 50-foot corridor will be established for the flow line route through hummocky uplands and a 25-foot corridor through wetlands. This corridor will allow for construction and maintenance activities associated with the flow line.

2. Alternative locations and methods:

During the scoping process for this project, alternative locations and methods were considered for siting the proposed well pad, access road, production facilities, and flow line. For the reasons described below, these alternatives were dismissed from further analysis.

Northern Alternative: A surface location approximately 1,500 ft. north of the presently proposed location was considered. The access road for this location would be approximately 1,800 linear feet. This road would impact 1,010 linear ft. more than the presently proposed access road. This alternative would require the leveling of numerous small, back island dunes, that are more difficult to restore than the foredunes impacted in the proposed alternative. This location would also allow only one gas formation to be accessed and ultimately require additional wells and associated pads to be constructed so that presently targeted gas reserves could be reached.

Based on additional impacts to park habitats and an increase in economic costs from the likelihood of missing multiple gas formations, the northern alternative was dismissed.

Southern Alternative: A surface location approximately 3,000 ft. south of the presently proposed location was considered. This southern alternative would require the removal and leveling of two rows of foredunes to construct this locations access road. This impact would be more than the impact to the single row of foredunes associated with the currently proposed access road. Additionally, a flow line for this location would require more wetland acreage than the flow line for the currently proposed site. This location would also allow only one gas formation to be accessed and ultimately require additional wells and associated pads to be constructed so that presently targeted gas reserves could be reached.

Based on additional impacts to park habitats and an increase in economic costs associated with the creation of multiple well pads necessary to reach all targeted gas reserves, the southern alternative was dismissed.

Gulf of Mexico Alternative: An offshore location in the Gulf of Mexico was also considered as a possible location to access the targeted gas reserves. A surface location in the Gulf of Mexico would increase the risk of a spill event, increase litter-related environmental impacts, and increase the operation cost of the well. This location would only allow drilling to occur against the fault angle and therefore prohibit the drilling to multiple bottom-hole locations from a single offshore location.

To reach multiple bottom-hole locations, a jack-up rig would need to be re-positioned for each location during the drilling phase. In the event that gas production occurred at each location, multiple production platforms would be constructed and thereby pose long-term visual impacts to Gulf beach visitors.

Lastly, the targeted bottom-hole locations occur within a 2-mile offset from the Gulf beach established by the National Park Service and the Texas General Land Office. This offset requires that wells targeting reserves within two miles of the shoreline be drilled between September 15 and March 15 otherwise they must be offset three miles from shore. This time constraint would not allow multiple wells to be drilled within the closure and therefore increase the costs associated with drilling

Based on the increased risk of a spill event, long-term impacts to park visitors enjoying the Gulf beach, and an increase in economic costs associated with the creation of multiple offshore well locations which are necessary to reach all targeted bottom-hole locations, the Gulf of Mexico alternative was dismissed.

Alternative Pipeline Location: An alternative flow line route of approximately 15,900 ft. south of the presently proposed location was examined. This route originated from an existing pipeline maintenance facility located at Yarbrough Pass and operated by Duke Energy. To date the Duke Energy pipeline is in non-compliance and cannot be used to transport product within Padre Island National Seashore. This alternative would impact 784,080 sq. ft. (18 ac.) of uplands and 10,890 sq. ft. (.25 ac.) of wetlands. This impact would be more than the 215,000 sq. ft. (4.9 ac.) of uplands and 1,383 sq. ft. (.032 ac.) of wetlands impacted by the currently proposed flow line.

Based on the increased impact to park upland and wetland habitats and the non-compliance of Duke Energy's pipeline, this alternative pipeline location was dismissed.

Alternative Well Access: An alternate access route for accessing the presently proposed well location was suggested. This route involved the establishment of a new access road behind the dunes originating at the end of Park Road 22 and extending 12.5 miles south to the proposed well location. This route would impact large acreages of wetlands and potentially impact foraging areas utilized by Piping Plovers and other protected bird species. In addition, to meet the executive order outlining no net loss of wetlands, impacts to wetland habitats would require a minimum of 2:1 mitigation within the park. In addition, construction costs associated with this road would be very high.

Based on the substantial impacts to park wetland habitats, the lack of suitable mitigation sites within the park, and the potential impact to Piping Plovers and other protected species, this alternative was dismissed.

Alternative Seasonal Closure:

A seasonal closure for the protection of sea turtle species and their habitat was considered. This closure would occur between March and September, affecting all oil and gas activity. A closure of this type would require all oil and gas operations to be conducted during the off-season between October and February, which includes hurricane season, winter occurrence of Piping Plovers and other protected species, and seasonally high tides. The beach is also considered a roadway by the Texas Open Beaches Act, which allows vehicle access. Restricting access to only five months of the year would not allow enough time to drill multiple wells from the same location, thereby requiring the rig to be demobilized and removed, only to return seven months later. Impacts associated with the repeated mobilization of the drilling rig and associated equipment would increase impacts to visitors, endangered species, and park habitats. This closure would result in a concentration of impacts in a short amount of time and may not allow for natural recovery between operations.

Based on the concentration of impacts, the risk to health and safety from hurricanes, the potential impact to Piping Plovers and other protected species, and the increase in economic costs associated with repeated mobilization of the drilling rig, this alternative was dismissed.

3. Description of the project and action areas:

General Park Description

Padre Island National Seashore is located on a largely undeveloped barrier island in southern Texas, on the Gulf of Mexico. The National Seashore consists of approximately 130,000 acres of land and water and is approximately 70 miles in length and varies from one-half to three miles in width. The seashore is bordered on the east by the Gulf of Mexico and is separated from the Texas mainland, to the west, by the Laguna Madre, a shallow, hypersaline body of water. Padre Island National Seashore