

Public Notice

| U.S. Army Corps | Permit Application N | lo: SWG-2018-00815_ |
|--------------------|----------------------|---------------------|
| Of Engineers | Date Issued: | 25 April 2019 |
| Galveston District | Comments Due: | 28 May 2019 |

U.S. ARMY CORPS OF ENGINEERS, GALVESTON DISTRICT AND TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

PURPOSE OF PUBLIC NOTICE: To inform you of a proposal for work in which you might be interested. It is also to solicit your comments and information to better enable us to make a reasonable decision on factors affecting the public interest. The U.S. Army Corps of Engineers (Corps) is not the entity proposing or performing the proposed work, nor has the Corps taken a position, in favor or against the proposed work.

AUTHORITY: This application will be reviewed pursuant to Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act (CWA).

- APPLICANT: Houston Energy Operating, L.P. 1200 Smith, Suite 2400 Houston, Texas 77002 POC: Nick Rezvani Telephone: 713-650-8008 Email: nickr@houstonenergyinc.com
- AGENT: C.H. Fenstermaker & Associates, L.L.C. 5005 Riverway, Suite 300 Houston, Texas 77056 POC: Chad Soileau Telephone: 713-840-9995 Email: chads@fenstermaker.com

LOCATION: The project site is located near Sabine Lake/Port Arthur Ship Channel, approximately 2.3 miles northwesterly from Sabine Pass, in Jefferson County, Texas. The project can be located on the U.S.G.S. quadrangle map titled: PORT ARTHUR SOUTH, Texas.

LATITUDE & LONGITUDE (NAD 83):

Latitude: 29.749444°; Longitude: -93.926944°

PROJECT DESCRIPTION: The applicant proposes to construct a 415-foot by 16-foot temporary board mat access road and a 300-foot by 300-foot drill pad utilizing an existing 12-foot headland road to conduct oil/gas drilling and production activities for the Wildcat Prospect. A 3-foot-high earthen ring levee will be constructed around the perimeter of the drill site and board mats will be laid as a foundation for drilling operations within the leveed drill site area. The well will be drilled with a closed mud loop system and drilling residue will be hauled off for disposal. The applicant's plans are enclosed in 4 sheets.

AVOIDANCE AND MINIMIZATION: The applicant has stated that they have avoided and minimized the environmental impacts by placing the proposed drill site partially within non-wetlands and utilizing the proposed surface hole location which minimizes the curvature of the well path and reduces temporary and permanent loss of wetland functions on the project site. The applicant will also use an existing headland road off of Highway 87 for access to proposed drill site. The access road width and drill pad size have been reduced to the practicable minimum for the drilling of two wells within the pad footprint.

MITIGATION: The applicant proposed to mitigate for the proposed impacts by purchasing compensatory in-kind mitigation credits, with a 1.5 credit multiplier, from the Gulf Coastal Plains Mitigation Bank (GCPMB). This mitigation bank is outside of the proposed project site service area, which is within the Sabine Lake HUC watershed. The applicant is requesting to purchase credits from the GCPMB because there are no mitigation bank credits available for in-kind compensation in the Sabine Lake HUC watershed, there were no compensatory mitigation options available at the Texas Parks and Wildlife Department, JD Murphree Wildlife Management Area, and the applicant was not able to identify any permittee responsible mitigation options available within the Sabine Lake HUC watershed.

CURRENT SITE CONDITIONS: The project site is currently an undeveloped tract of land consisting of palustrine emergent (PEM) and palustrine scrub/shrub wetlands (PSS) and is bordered by Highway 87 approximately 0.1 mile to the south and an industrial/marine terminal along the Sabine Pass – Port Arthur Channel approximately 1 mile to the north. The site can be described as undulating, with 0 to 2 percent slopes. The proposed project site contains hydric soils and the wetland vegetation consists of salt sandspurry (Spergularis marina), cursed buttercup (Ranuculus sceleratus), Bermudagrass (Cynodon dactylon), gulf cordgrass (Spartina spartinae), bahiagrass (Paspalum notatum), Carolina desert-thorn (Lycium carolinianum), torpedo grass (Panicum repens), littleleaf buttercup (Ranuculus abortivus), herb of grace (Bacopa monnieri), blunt spikerush (Eleocharis obtusa), and Jesuit's bark (Iva frutescens). The subject wetlands are adjacent to Keith Lake and Sabine Pass.

This public notice is being issued based on information furnished by the applicant. This project information has not been verified by the Corps. The wetland delineation has been completed and was verified by the Corps on 16 April 2019. The applicant's plans are enclosed in 4 sheets.

A preliminary review of this application indicates that an Environmental Impact Statement (EIS) is not required. Since permit assessment is a continuing process, this preliminary determination of EIS requirement will be changed if data or information brought forth in the coordination process is of a significant nature.

Our evaluation will also follow the guidelines published by the U.S. Environmental Protection Agency pursuant to Section 404 (b)(1) of the CWA.

OTHER AGENCY AUTHORIZATIONS:

Consistency with the State of Texas Coastal Management Plan is required. The applicant has stated that the proposed activity complies with Texas' approved Coastal Management Program goals and policies and will be conducted in a manner consistent with said program.

This project incorporates the requirements necessary to comply with the Texas Commission on Environmental Quality's (TCEQ) Tier I project criteria. Tier I projects are those which result in a direct impact of three acres or less of waters of the state or 1,500 linear feet of streams (or a combination of the two is below the threshold) for which the applicant has incorporated best management practices and other provisions designed to safeguard water quality. The Corps has received a completed checklist and signed statement fulfilling Tier I criteria for the project. Accordingly, a request for 401 certification is not necessary and there will be no additional TCEQ review.

NATIONAL REGISTER OF HISTORIC PLACES: The staff archaeologist has reviewed the latest published version of the National Register of Historic Places, lists of properties determined eligible, and other sources of information. The following is current knowledge of the presence or absence of historic properties and the effects of the undertaking upon these properties:

The proposed project is of such limited nature and scope and is located in an area unlikely to contain historic properties that no investigation for historic properties is warranted.

THREATENED AND ENDANGERED SPECIES: Preliminary indications are that no known threatened and/or endangered species or their critical habitat will be affected by the proposed work.

ESSENTIAL FISH HABITAT: This notice initiates the Essential Fish Habitat consultation requirements of the Magnuson-Stevens Fishery Conservation and Management Act. Our initial determination is that the proposed action would not have a substantial adverse impact on Essential Fish Habitat or federally managed fisheries in the Gulf of Mexico. Our final determination relative to project impacts and the need for mitigation measures is subject to review by and coordination with the National Marine Fisheries Service.

PUBLIC INTEREST REVIEW FACTORS: This application will be reviewed in accordance with 33 CFR 320-332, the Regulatory Programs of the Corps, and other pertinent laws, regulations and executive orders. The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts, 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, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. All factors, which may be relevant to the proposal, will be considered: among those are conservation, economics, aesthetics. general environmental concerns, wetlands, historic properties, 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 and, in general, the needs and welfare of the people.

SOLICITATION OF COMMENTS: The Corps 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, modify, 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 Impact Assessment and/or an EIS 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 of the proposed activity.

This public notice is being distributed to all known interested persons in order to assist in developing facts upon which a decision by the Corps may be based. For accuracy and completeness of the record, all data in support of or in opposition to the proposed work should be submitted in writing setting forth sufficient detail to furnish a clear understanding of the reasons for support or opposition.

PUBLIC HEARING: The purpose of a public hearing is to solicit additional information to assist in the evaluation of the proposed project. Prior to the close of the comment period, any person may make a written request for a public hearing, setting forth the particular reasons for the request. The District Engineer will determine if the reasons identified for holding a public hearing are sufficient to warrant that a public hearing be held. If a public hearing is warranted, all known interested persons will be notified of the time, date, and location.

CLOSE OF COMMENT PERIOD: All comments pertaining to this public notice must reach this office on or before **28 May 2019**. Extensions of the comment period may be granted for valid reasons provided a written request is received by the limiting date. If no comments are received by that date, it will be considered that there are no objections. Comments and requests for additional information should reference our file number, SWG-2018-00815, and should be submitted to:

North Unit Regulatory Division, CESWG-RDE U.S. Army Corps of Engineers P.O. Box 1229 Galveston, Texas 77553-1229 409-766-3869 Phone 409-766-3931 Fax swg_public_notice@usace.army.mil

> DISTRICT ENGINEER GALVESTON DISTRICT CORPS OF ENGINEERS