DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP12–124–000; CP11–40–000; CP10–34–000]

East Cheyenne Gas Storage, LLC;
Notice of Intent To Prepare an Environmental Assessment for the Proposed West Peetz Well Plan Amendment and Request for Comments on Environmental Issues

The staff of the Federal Energy Regulatory Commission (FERC or Commission) will prepare an environmental assessment (EA) that will discuss the environmental impacts of the West Peetz Well Plan Amendment involving construction and operation of facilities by East Cheyenne Gas Storage, LLC (East Cheyenne) in Logan County, Colorado. The Commission will use this EA in its decision-making process to determine whether the project is in the public convenience and necessity.

This notice announces the opening of the scoping process the Commission will use to gather input from the public and interested agencies on the project amendment. Your input will help the Commission staff determine what issues they need to evaluate in the EA. Please note that the scoping period will close on June 2, 2012.

This notice is being sent to the Commission’s current environmental mailing list for this project. State and local government representatives should notify their constituents of this proposed project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, a pipeline company representative may contact you about the acquisition of an easement to construct, operate, and maintain the proposed facilities. The company would seek to negotiate a mutually acceptable agreement. However, if the Commission approves the project, that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the pipeline company could initiate condemnation proceedings where compensation would be determined in accordance with state law.

Summary of the Proposed Project

The proposed project would amend the East Cheyenne Gas Storage Project, which consists of construction and operation of a natural gas storage facility in two newly depleted oil production fields in Logan County, Colorado. The project was originally authorized by the Commission on August 2, 2010 under Docket No. CP10–34–000, and amended on April 12, 2011 under Docket No. CP11–40–000. On January 31, 2012, under Docket No. CP12–35–000, the Commission further amended the certificate by revising the maximum reservoir pressure for the D Sands zone in the West Peetz Field. East Cheyenne is not seeking to revise the maximum reservoir pressure and therefore does not seek to amend the certificate issued to East Cheyenne in Docket No. CP12–35–000.

Following issuance of the August 2 and April 12 Orders, East Cheyenne further evaluated the West Peetz D Sands Formation. Based on the findings, East Cheyenne determined that they should modify the proposed number and location of wells, in addition to well design and installation methods, to develop the authorized working gas capacity for optimal performance. The proposed amendment would involve reconfiguration of the injection/withdrawal (I/W) wells and associated piping, addition of a produced water disposal well and associated piping, and two monitoring wells, and an increase in the amount of cushion gas capacity. Additionally, East Cheyenne would no longer use ten of the originally proposed access roads. The proposed amendment consists of the following changes to the East Cheyenne Gas Storage Project:

- Relocate and convert four currently certificated wells from horizontal to vertical I/W wells;
- Construct four additional I/W wells, three of which would be vertical and the fourth a slant well;
- Plug and abandon two previously certificated and operating I/W wells and replace them with two new vertical I/W wells;
- Install two additional observation wells and one additional produced water disposal well;
- Reconfigure related natural gas lateral pipelines; and
- Install and reconfigure related produced water mainline, laterals, and disposal pipelines.

The general location of the project facilities is shown in appendix 1.

Land Requirements for Construction

The certificated East Cheyenne Gas Storage Project is currently storing...