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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Docket Number
WHITETAIL NATURAL GAS STORAGE : CP08-46-000
- - - - -x

Monroe County Chancery Court
203 West Commerce
Aberdeen, Mississippi

Thursday, February 14, 2008

The above-entitled matter came on for scoping meeting,
pursuant to notice, at 7:10 p.m.

BEFORE:

Dave Swearingen - FERC

1 P R O C E E D I N G S

2 MR. SWEARINGEN: Good evening. My name is Dave
3 Swearingen. I'm with the Federal Energy Regulatory
4 Commission. And on behalf of the FERC I want to welcome you
5 all here tonight.

6 And let the record show that the Whitetail
7 Scoping Meeting began at 7:10 p.m. on February 14th, 2008.

8 Now the purpose of this meeting is to give you
9 the opportunity to provide comments, environmental comments
10 specifically on the project recently proposed by
11 Tarpon/Whitetail Gas Storage, who I will just call Whitetail
12 just for ease of reference.

13 Now Whitetail filed its application with the FERC
14 on December 21st of last year. And right now we are in a
15 public scoping meeting. It's the public scoping period
16 that's established to take your comments on the project.
17 And that comment period ends on February 25th.

18 Now the primary facilities associated with the
19 proposed new storage field project are about 4.9 miles of 24
20 inch diameter pipeline, which is called the west header
21 right of way pipeline, and about a mile of 16 inch diameter
22 pipeline called the field line corridor pipeline. There's
23 going to be a new compressor station, about 14,200
24 horsepower of compression, called the Whitetail compressor
25 station, and there's going to be up to 20 injection
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1 withdrawal wells and two salt water disposal wells in two
2 general locations known as the west well pad site and the
3 east well pad site, an interconnection called the TETCO
4 Interconnect, which will interconnect with Texas Eastern's
5 existing interstate natural pipeline. And that will include
6 a meter station, a pig launcher/receiver, interconnect
7 pipeline, and associated facilities.

8 Now in a few minutes I'll ask a representative
9 from Whitetail to come up and give a more detailed
10 description of the project and, in case I've misstated
11 something, he can correct for the record exactly what it is
12 that they're going to do. And they'll be able to answer
13 some of your questions that you might have about the
14 project. If it's a question of the general nature we'll go
15 ahead and have it on the record; if you have something
16 specific that you want to ask our company rep about your
17 particular property or something, you know, related to a
18 specific concern that you have there will be time after the
19 meeting for some informal discussion with company
20 representatives.

21 Right now I'm going to talk a little bit about
22 the scoping process and public involvement in FERC projects
23 in general.

24 Now the main FERC docket number for the Whitetail
25 Natural Gas Storage Project is CP08-46-000. So it's CP08-

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1 46. So if you want to get any information on the project,
2 like from the FERC website or, you know, making comments,
3 you need to remember that docket number.

4 VOICE FROM THE AUDIENCE: Could you repeat that
5 number?

6 MR. SWEARINGEN: Yes. It's CP08-46.

7 Now the National Environmental Policy Act
8 requires that the Commission take into consideration
9 environmental impacts associated with new natural gas
10 facilities.

11 Now scoping is the term that we use that is our
12 opportunity to solicit public input from the community, from
13 people in the community that might have concerns about the
14 project. The idea is to get the information from the
15 public, from county, city agencies, state agencies, other
16 personnel that might have either knowledge, expertise, or
17 questions or comments about the project. So that's the
18 reason that we send out the scoping notice and I come to the
19 meeting, to be able to get those comments.

20 Now our scoping process for the Whitetail project
21 started last month when the FERC issued the Notice of
22 Intent, the NOI, to prepare an environmental assessment,
23 which I'll just call an EA. Now you probably got a copy in
24 the mail of the NOI. If you didn't then I've got some extra
25 ones; just come up after the meeting and ask me and I'll
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1 give you one.

2 Now the first step in the process of preparing
3 the environmental assessment is to determine which
4 environmental resource issues are most important to you.
5 Now your comments and concerns, along with all the other
6 people and agencies who have been asked to participate in
7 this process, will be used to focus our environmental
8 analysis. Our comments tonight, together with any written
9 comments you have already filed or intend to file, will be
10 added to the record as comments on the environmental
11 proceeding.

12 So tonight you have the opportunity, if you wish,
13 to come up and speak and give those comments to me verbally.
14 If you'd rather not do that, I've got some forms on the
15 table, on the sign-in table where you can write your
16 comments down and hand them to me, or you can mail them in.

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18 We've already received a couple of comments
19 through the mail. And it doesn't matter to me how you get
20 them to me. If you mail them in, speak them here, hand them
21 to me on a piece of paper, they're all considered to be
22 equally valid as far as how we consider them. So that part
23 is up to you.

24 And what we'll do is we'll take those comments
25 and do our independent environmental analysis. And the

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1 result of that will be the EA, the environmental assessment.
2 The EA may or may not be published for additional comment;
3 it just kind of depends on the nature of the comments that
4 we get. If the EA is published it will be mailed out to
5 everybody that's on the mailing list for an additional
6 comment period.

7 I need to differentiate between the roles of the
8 FERC Commission and that of my role of support staff. The
9 FERC Commission will be the one to ultimately decide whether
10 or not to approve this project. My job as support staff is
11 to give them one piece of the information that they need to
12 take into consideration to whether or not they're going to
13 approve it. That's the environmental aspect.

14 There are other aspects of projects that the
15 Commission takes into account, such as markets, rates,
16 tariffs, engineering, supply: the non-environmental
17 aspects. So what the Commission will do is it will take the
18 environmental analysis, the non-environmental aspects, the
19 market aspects, and then they will finally make an ultimate
20 decision of whether or not to approve this project.

21 Now what the environmental assessment will do is
22 it will disclose the effects, the environmental effects of
23 the project and also recommend mitigation measures that
24 would be added as conditions to any certificate that the
25 Commission may issue. So if I, from your comments or from
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1 my own analysis or the analysis of my team, if I identify an
2 environmental concern I can recommend that the Commission
3 address that concern in such a way that it will be an
4 enforceable condition onto the company to address that
5 particular concern.

6 Are there any questions about the scoping process
7 or the FERC role or why I'm here or what our agency's
8 involvement in this process is?

9 (No response.)

10 MR. SWEARINGEN: Okay.

11 The next thing I'm going to do is I've asked for
12 somebody from Whitetail to give a brief description of the
13 project and to be able to answer some of your questions if
14 you have them. I think Kevin O'Toole is going to represent
15 Whitetail to do that.

16 MR. O'TOOLE: Good evening. Thank everybody for
17 coming out on Valentine's Day. And we're real eager to hear
18 your questions and concerns about this project.

19 Tarpon is a fairly new company. We're a division
20 of Spark Energy. And Spark Energy is a wholesale and retail
21 provider of electric and natural gas services in -- well,
22 throughout the US, and also has other divisions in the
23 natural gas processing midstream business. Tarpon is the
24 gas storage division of that company.

25 Whitetail is our first project. We have three
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1 other ones that we're in the process of developing as well;
2 we're just not as far along with those. And I'm not going
3 to spend a lot of time other than to introduce our team.

4 Rick Weninger is our vice president of
5 engineering. Hoy Brunson is our vice president of
6 compliance. Each of those guys has over 20 years in the
7 natural gas, and Hoy in the environmental industry. Rick
8 worked with Williams for over 20 years, Williams Pipeline
9 Companies.

10 Jason Scott is going to be the plant manager for
11 the Whitetail facility here in Aberdeen. He's from --
12 originally from this area and lives down at Jackson now. We
13 have him working in east Texas these days, actually working
14 for a living. But he'll be moving here -- back here in the
15 next month or so.

16 Roger Rodiek is our director of project
17 coordination. And he's the one that handles most of the
18 communications and kind of keeps us all on track.

19 But I'm going to turn over the description of the
20 project to Rick here. He's more intimately familiar with it
21 than anybody.

22 But thank you all again for coming.

23 MR. WENINGER: Thanks, Kevin.

24 Now as Kevin said, my name is Rick Weninger. My
25 responsibilities include the engineering and operations

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1 functions for Whitetail Gas Storage. What I'm going to do
2 is give you an overview of the project.

3 But before I do that I want to just state that
4 Whitetail's commitment and goals for these facilities is to
5 meet or exceed all applicable federal, state and local
6 regulations and engineering standards. We want to have a
7 very safe facility for the community as well as the
8 personnel working out there. We want to be an advocate for
9 the community as well.

10 So I'll kick it over here to the map to my right
11 here. I don't know if everybody can see it over here. But
12 I'm just going to take you through the facilities.

13 Aberdeen is on this side of the map. Here is
14 Highway 8, here is Old Highway 8. Here is our plant site.
15 We've -- That would be our compressor station, or
16 dehydrator, offices and maintenance building, west well
17 path. It essentially resides over the central part of our
18 reservoir.

19 Our reservoir is the Aberdeen gas field located
20 in the Black Warrior basin. We are going to store gas in
21 the Sanders and Carter formation. It's about 3600 feet
22 deep. The total reservoir surface area that we'll be
23 utilizing will be 2850 acres. The reservoir area and the
24 buffer zone, which is an area outside of our reservoir area,
25 will be about 4840 acres. And the land status to date is

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1 we've acquired about 72 percent of the surface area and the
2 mineral rights thus far.

3 Before we start the work on the new storage field
4 one thing we have to do is go in and look at all of the old
5 wells, existing wells that are out there. There's about 29
6 wells scattered all the way through this area that we're
7 going to have to look at. We've identified 19 of those to
8 date that we're going to have to work over, meaning that
9 we're going to have to re-enter, re-cement or establish as
10 an observation well.

11 Ten will not require any work. The Mississippi
12 Oil and Gas Board has determined that they are properly
13 plugged or they're outside of our buffer zone or outside the
14 fault area.

15 And just to lay that out, the buffer zone -- you
16 can't see it on this map; we have a nice map over here
17 behind me that shows the buffer zone. But we have two
18 faults: a fault that lays right here and a fault that lays
19 down here. So our reservoir is in between the fault area.

20 A little bit about the plant site, the plant site
21 right here. We have 26 acres. And again, the compressor
22 station, dehydrator, west well pad, and office and
23 maintenance buildings. Our compressor station is going to
24 have four Caterpillar G3612 natural gas reciprocating
25 engines rated at 3550 horsepower each driving four Ariel
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1 compressors.

2 In the building for the compressor we're going to
3 have a standby generator and air compressor. The building
4 is going to be 70 feet by 177 by 30 foot tall.

5 We've done a lot of extra things to this
6 compressor station building. It will be -- we tried to
7 locate it off of the Highway 8 to keep it away from the
8 nearest residence, which is right here, the Blanchards.
9 It's going to be a fully enclosed metal building that has
10 one-foot thick insulated walls. The muffler on it is
11 residential grade to reduce noise.

12 We've located -- when you have a compressor
13 station you need a way to cool the gas down and also your
14 auxiliary fluids. There will be four coolers on the south
15 side of the compressor station. We do that on purpose to
16 put it on the south side to reduce the noise going to the
17 north to the nearest resident.

18 We've left this stand of trees. We're going to
19 continue to leave that there as a buffer between our
20 compressor station and the nearest residents.

21 As far as emissions, we've got clean burn units.
22 They'll have electronic air/fuel control systems and have
23 catalytic converters on the exhaust.

24 The dehydrator will be located just right north
25 of our compressor station. When you pull gas out of a

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1 reservoir you tend to pick up water in the gas and you need
2 to dehydrate that water so that you can move it to the
3 pipeline and it doesn't cause any problems. So you need to
4 dehydrate the water. We'll have two contactor towers and a
5 reboiler that will have to do that.

6 The west well pad is located on the south portion
7 of the plant site. We're slated to have -- it's on a six
8 acre site. It's nine injection/withdrawal wells, one
9 produced water well. It will have water separation on each
10 well, tanks for storage, and pumps to pump water.

11 The office and maintenance buildings are on the
12 north side of the plant site.

13 The next area -- I'm going to kind of shift to
14 the east-southeast -- will be the west well -- or the east
15 well pad, which is down here in this corner. This reservoir
16 has a high right where our plant site is and a high down
17 here where our east well pad site is. So we wanted the
18 ability to enter into that second high in that geological
19 formation. This well paid will have five
20 injection/withdrawal wells and one produced water well.
21 It's located on a five-acre site. And again we'll have the
22 storage tanks, pumps and water separation for each well.

23 The next area I'm going to talk about is the
24 TETCO interconnect site. It's clear up here and connects
25 our pipeline to the TETCO interstate pipeline. The TETCO

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1 interconnect is a one-acre site. It will have a flow
2 control skid, a measurement skid and a valve switching skid.
3 And it will take gas in and out to TETCO.

4 To connect TETCO interconnect and our plant site
5 we have approximately five miles of 24 inch diameter steel
6 pipeline. We'll have fiber optics cable buried along that
7 to control -- to pick up signals from this interconnect site
8 down to our plant site, and vice versa.

9 We do plan to -- one of the things -- I said we
10 would exceed some of the specifications. Most of the
11 industry standard is to bury your pipeline three feet. We
12 have decided to bury it four feet along this entire route.

13 The last section is the field line, which
14 connects the plant site to the east well pad site. They'll
15 have approximately one mile of 16 inch pipeline -- steel --
16 and again buried four feet deep on that pipeline.

17 Just to kind of shift from the construction
18 process a little bit, we do expect to hire a number of
19 people for construction, anywhere from 75 to 125 people. We
20 expect the utilize a lot of local services: hotel,
21 restaurants and other services. And if you look at our
22 resource report one it will detail out a lot of the
23 construction process that we plan to use on this project.

24 The schedule for construction: We have scheduled
25 to start in July of this year and finish up in June of '09.

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1 Some of the agencies we're going to be requiring
2 -- that require permits from us are the FERC -- Federal
3 Energy Regulatory Commission -- the U.S. Fish and Wildlife
4 Service, the Mississippi Ecological Services, the U.S. Army
5 Corps of Engineers, the Mississippi Department of
6 Environmental Quality, the Mississippi Department of Health,
7 the Mississippi Oil and Gas Board -- we've done tremendous
8 work with them already -- Mississippi Department of
9 Transportation, the Mississippi Department of Archives and
10 History, and the United States Department of Transportation.

11 Following construction we will go into the
12 operations mode, which we expect to do that in the third
13 quarter of 2009. As Kevin mentioned, we've hired Jason
14 Scott, and we're lucky to have him -- a local guy, a
15 graduate of Mississippi State -- to run the plant. So we're
16 happy to have him on board.

17 We expect to have a full-time crew of between six
18 and ten personnel. And again we'll be utilizing a lot of
19 local services. And we hope to be a community advocate once
20 we get the project going and in service.

21 The benefits to the community: We think that
22 there's a number of benefits, not only the jobs I just
23 mentioned but -- the full-time jobs as well as the
24 construction jobs. We think that being a part of the
25 community we'll be spending money for lots of services in
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1 the community. So we hope to move forward on that.

2 So that's an overview of the Whitetail Gas
3 Storage Field.

4 MR. SWEARINGEN: Okay. Thank you for that.

5 Now the part of the meeting is where I take any
6 comments that you may have. And you'll notice the gentleman
7 to my left is doing a transcription of this so that all the
8 comments -- in fact the entire public part of this meeting -
9 - is going to be on the public record and there will be an
10 official transcript made of this proceeding.

11 Now nobody signed the sheet to actually come up
12 and speak, so I'll open the floor in a minute to anybody
13 who, you know, feels like they want to come up and speak.
14 If you don't want to, like I said, I have these sheets here
15 where you can write down comments and either hand them to me
16 tonight or mail them in, or you can just go home and, you
17 know, print out your own and just mail them in. Do try to
18 get them in before the end of the comment period, which is
19 February 25th.

20 So is there anybody that would like to come up
21 and give comments tonight on this project?

22 Yes, ma'am. If you would, just go ahead and
23 state your name and spell it for the record so that the
24 transcriber can get it.

25 MS. BRASFIELD: My name is Ruth Brasfield.

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1 MR. SWEARINGEN: You're going to need to use this
2 because he won't be able to pick it up.

3 MS. BRASFIELD: I just have a question.

4 MR. SWEARINGEN: Oh, sure.

5 MS. BRASFIELD: My name is Ruth Brasfield, B-r-a-
6 s-f-i-e-l-d.

7 I would like to know why the buffer zone has to
8 come inside the city limits. I live at Treas Lake
9 subdivision.

10 MR. SWEARINGEN: Is that a particular question
11 that you all want to address now?

12 MR. O'TOOLE: Sure.

13 MR. SWEARINGEN: Okay. Why don't you go ahead
14 and discuss the buffer zone of your project.

15 MR. O'TOOLE: Basically the buffer zone, like
16 Rick indicated -- I'm Kevin O'Toole again, for the record.

17 But basically the field itself, the Aberdeen Gas
18 Field itself is -- Let me get oriented here -- is kind of a
19 kidney shaped, or as Roger says, a peanut-shaped formation
20 that goes like this. And basically the buffer zone is more
21 of an insurance type area than anything else. It's a non-
22 activity area to keep people from drilling close to the
23 storage field and possibly encroaching on our -- on the
24 boundaries of the storage field. The original gas-water
25 contact in the Aberdeen field is represented by this dotted
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1 line. And the buffer zone is really just an insurance area
2 around it. There won't be any facilities on the east end of
3 the operation past that east well pad site.

4 MS. BRASFIELD: But why is it necessary for it to
5 come inside the city limits?

6 MR. O'TOOLE: Basically we just drew it around
7 there and it just happened that it crossed the city limits
8 right there. It's -- There's not going to be any activity
9 at all aboveground on that area. And basically the gas is
10 going to be 35-3600 feet underground, and the buffer zone is
11 really just to keep people from drilling wells around the
12 perimeter of the field.

13 MR. SWEARINGEN: Let me follow up on that.

14 Is it within your discretion to alter the extent
15 or shape of the buffer zone?

16 MR. O'TOOLE: I think it -- it's not really --
17 We'd have to apply with the State, check it out with the
18 State. But I think it would be within our discretion to --
19 we can certainly apply --

20 MR. SWEARINGEN: I think that's the question that
21 she's asking is using your discretion, you know, is it
22 possible to adjust the buffer zone so that it, you know, is
23 outside the city limits.

24 MR. O'TOOLE: Again, we'll certainly --

25 MR. SWEARINGEN: That's the question that I hear
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1 being --

2 MR. O'TOOLE: -- investigation.

3 Is that the question?

4 MS. BRASFIELD: Yes.

5 MR. O'TOOLE: Okay. Yeah, we'll definitely check
6 it out with the State. And we'd just need to amend our
7 filing with the FERC. But, yeah, we'll definitely look this
8 up. We'll check it out with the MSOGB and with the FERC.
9 And if we're able to we'll certainly do it.

10 MR. SWEARINGEN: Okay.

11 Are there any other comments, questions anybody
12 wants to bring up at this time?

13 (No response.)

14 MR. SWEARINGEN: Okay.

15 Then what I'm going to do is I'm going to close
16 the formal part of the meeting. And you're welcome to stay
17 around. Like I said, there's a whole bunch of goodies that
18 folks at Tarpon have provided. You can ask them some
19 questions if you want do and, you know, partake of the
20 refreshments. As you see, they brought some maps if you
21 want to look at something more closely. It will be kind of
22 off-the-record Q and A, give and take. I'll stick around.
23 If you want to ask any questions of me about my role or my
24 agency's role I'll be glad to chat with you about that as
25 well.

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1 Anybody wishing to purchase a copy of the
2 transcripts they can be ready rather quickly. You talk with
3 the person representing the -- the court reporter
4 representing Ace-Federal transcription service and he can
5 give you more information on that.

6 Within the FERC website there is a link called
7 eLibrary. And I have some brochures out there that talk
8 about how to access information from the FERC website and do
9 electronic filing and obtaining information. But if you go
10 to the link on the FERC website, which is www.ferc.gov --
11 FERC.gov -- and you remember the docket number CP08-46 --
12 use the link called eLibrary and you can read, download,
13 print off all the public information that's available on
14 this project. So if you so desire you can follow this
15 project step by step through the FERC website.

16 VOICE FROM THE AUDIENCE: Could you repeat that
17 webpage again, please?

18 MR. SWEARINGEN: Yeah. The webpage, the FERC
19 webpage is www.ferc.gov. And there's a link in there called
20 eLibrary. And again you can pick up a brochure that steps
21 you through it. Some of the information that I've mailed
22 out to you -- the NOI I think has information about that as
23 well.

24 So on behalf of the Federal Energy Regulatory
25 Commission, I want to thank you all for coming here tonight.

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1 And let the record show that the public portion of the
2 meeting concluded at 7:39 p.m.

3 All right. Thank you.

4 (Whereupon, at 7:39 p.m., the public scoping
5 meeting was concluded.)

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