



REPLY TO
ATTENTION OF:

South Branch
Regulatory Division

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, MOBILE DISTRICT
P.O. BOX 2288
MOBILE, ALABAMA 36628-0001

May 17, 2013

**JOINT PUBLIC NOTICE SAM-2012-00894-RCV
U.S. ARMY CORPS OF ENGINEERS**

**MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF POLLUTION CONTROL**

**WETLAND FILL ASSOCIATED WITH THE EXPANSION OF AN EXISTING WELL
PAD, ESTABLISHMENT OF NEW WELLS, AND CONSTRUCTION OF ACCESS
ROADS IN HIWANNEE OIL AND GAS FIELD, HIWANNEE, WAYNE COUNTY,
MISSISSIPPI**

TO WHOM IT MAY CONCERN:

This District has received an application for a Department of the Army permit pursuant to Section 404 of the Clean Water Act. Please communicate this information to interested parties.

APPLICANT: **Tellus Operating Group, LLC**
602 Crescent Place, Suite 100
Ridgeland, Mississippi 39157

AGENT: **Headwaters, Inc.**
Post Office Box 820188
Vicksburg, Mississippi 39182-0188

LOCATION: **Adjacent and abutting wetlands north and south of the Chickasawhay River. West of U.S. Highway 45, Section 16, Township 10 North, Range 7 West at Latitude 31.835020 North, Longitude -88.703982 West, south of Shubuta, Wayne County, Mississippi in the Upper Chickasawhay watershed (8-digit HUC 03170002)**

WORK: **The applicant proposes to construct four new drill sites impacting a total of 4.802 acres of wetlands within the existing Hiwannee Field Wide Unit. If approved, the new drill sites would be Hiwannee 16-5 #1, Hiwannee 16-11 #1, Hiwannee 16-12 #2, and Hiwannee 16-13 #2/Hiwannee 17-16 #1. The work proposed to construct the new drill sites is as follows:**

Hiwannee 16-5 #1: This drill would be located east of the existing Tellus Hiwannee Central Tank Battery on the north side of the Chickasawhay River. One 375-foot by 375-foot well site and one 400.25 linear foot access road within a 30-foot wide maintained easement would be constructed. The proposed access road would connect to an existing oil field access road located to the west of this proposed drill site. The planned flowline connecting this new drill to the existing Hiwannee Field infrastructure would also be maintained

within the 30-foot access road easement. The proposed well pad construction would result in permanent filling impacts to 1.727 acres of emergent, open pasture wetland while the access road would require a 30.269 linear foot wetland crossing impacting 0.005-acre of emergent wetland drain. The overall well pad, access road, and flowline easement would encompass a 3.504-acre area.

Hiwannee 16-11 #1: This drill would be located along the west boundary of U.S. Highway 45 on the south side of the Chickasawhay River. One 400-foot by 425-foot well site would be constructed, a flood control berm would be constructed within a 25-foot-wide buffer or additional workspace area around the southwest portion of the well pad due to proximity of the site to Chickasawhay River, and an existing access road to the existing Hiwannee 16-13 #1 well located to the southwest would be re-routed to the south to avoid traffic having to pass through this new drill site. The proposed access road re-route would consist of 597.300 linear feet of new access road within a new 30-foot-wide maintained easement. The planned flowline connecting this new drill to the existing Hiwannee Field infrastructure would follow the north boundary of the existing Hiwannee 16-13 #1 access road west of the drill site and would be maintained within the existing easement thereby not requiring additional right-of-way. The construction of the proposed well pad, re-routed access road, and berm would result in permanent filling impacts to 1.077 acres of hardwood forested wetlands. The overall well pad, access road, flood control berm, and flowline easement would encompass an approximated 4.565-acre area.

Hiwannee 16-12 #2: This drill would be located west of U.S. Highway 45, east of an existing Tellus pipeline and south of an existing oil field access road on the south side of the Chickasawhay River. One 375-foot by 400-foot well site, one 257 linear foot access road within a new 30-foot-wide maintained easement, and a new 439-foot-long by 30-foot-wide maintained pipeline easement connecting this new drill to the existing BOE 16-14 #2 well site to the south would be constructed. The proposed access road would connect to an existing oil field access road located north of this new drill site. The proposed well pad and access road construction would result in permanent filling impacts to 1.479 acres of hardwood forested wetlands while the construction of the flowline would require the permanent conversion of 0.169-acre of bottomland hardwood forested wetlands to emergent wetlands. The overall well pad, access road, and new flowline easement would encompass an approximated 3.923-acre area.

Hiwannee 16-13 #2: This would be a southerly expansion of the existing Hiwannee 16-13 #1 well site south of Chickasawhay River in order to accommodate two new drills (Hiwannee 16-13 #2 and Hiwannee 17-16 #1). A 375-foot by 182-foot well pad expansion would be constructed and as well as an equipment and personnel protection berm within a 32 foot by 375-foot additional work space area due to the presence of a long-range rifle range located south and west of the proposed expansion. The proposed well pad expansion and protection berm construction would result in permanent filling impacts to 0.514-acre of hardwood forested wetlands. No new impacts would be required for access as an existing road is already in place.

One planned flowline would be constructed along the north and east boundary of the existing Hiwannee 16-13 #1 well site to interconnect with an existing pipeline easement extending from Hiwannee 16-13 #1 to the BOE 16-14 #2 site located to the east. The proposed new flowline bordering the northeast corner of the existing Hiwannee 16-13 #1 site would be approximately 542.8 feet long and located within a maintained 30-foot-wide easement in uplands. The additional flowline proposed to extend between the Hiwannee 16-13 #1 site and the BOE 16-14 #1 site would be placed within an existing 1,103-foot long by 30-foot-wide maintained pipeline easement and would require approximately 0.303 acre of temporary construction phase impacts to emergent wetlands in the easement.

The overall well pad expansion, protection berm, and new flowline easement would encompass an approximated 2.212-acre area.

PROJECT PURPOSE: As stated by the applicant's agent, "The proposed project will create an increase in the production of hydrocarbons from the Hiwannee Field Unit. The exploration of hydrocarbons will be a benefit to the public through the increase of available oil and gas resources."

The U.S. Army Corps of Engineers (Corps) initially determined the basic project purpose is to increase the production of domestic oil and gas resources by increasing well site establishment within an existing oil and gas field and is therefore non-water dependent. Additional review will be performed by the Corps and cooperating agencies.

ALTERNATIVES: The Corps' initial review of alternatives submitted by the applicant consists of the on-site, in-field work as proposed. Since the location of new drill sites is a site and field unit dependent project, no off-site alternatives will be considered. The applicant will be required to submit a detailed alternatives analysis to include the No Action alternative as well as additional on-site potential configurations. Additional review of alternatives will be performed by the Corps and cooperating agencies.

MITIGATION: The applicant proposes to perform all required mitigation measures to compensate for unavoidable wetland impacts through the restoration of additional bottomland hardwood forested wetland acreage at the existing Cohay Conservation Area, which is a permittee responsible Tellus mitigation area located on tributaries to Oakohay Creek between the towns of Raleigh and Mize within Section 33, Township 2 North, Range 7 East, Smith County, Mississippi within the 03170004 Upper Leaf watershed. Restoration of additional bottomland hardwood wetland acreage within the Cohay Conservation Area would provide in-kind mitigation located within a different 8-digit watershed than the proposed impact sites but within the Pascagoula River Basin which is the same river basin as the impact sites. Also, restoration of additional wetland acreage within the Cohay Conservation Area would further enhance the on-going efforts to restore the historic bottomland hardwood forested wetlands that existed within the Pascagoula River Basin. During the evaluation of the proposed project, a more detailed Wetland Rapid Assessment Procedure (WRAP) habitat value assessment addressing each of the new drill site impacts will be completed to identify the mitigation requirements for the project and to facilitate the preparation of a final compensatory mitigation plan. The Corps has not verified the

adequacy of the applicant's mitigation proposal at this time. Further coordination will be performed by the Corps and cooperating agencies.

The applicant has applied for certification from the State of Mississippi in accordance with Section 401(a)(1) of the Clean Water Act and upon completion of the required advertising; a determination relative to certification will be made.

This public notice is being distributed to all known interested persons in order to assist in developing facts on which a decision by the Corps can 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. The decision whether to issue a permit will be based on an evaluation of the probable impact, 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, including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, protected species, flood hazards, flood plain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food production and in general, the needs and welfare of the people.

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 Assessment and/or an Environmental Impact Statement 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. Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held for consideration of this application. Requests for public hearings shall state with particularity, the reasons for holding a public hearing.

Evaluation of the probable impacts involving deposits of dredged or fill material into waters of the United States will include the application of guidelines established by the Administrator of the U.S. Environmental Protection Agency.

In accordance with Section 106 of the National Historic Preservation Act and Appendix C of 33 CFR 325, the undertaking defined in this notice is being considered for the potential to effect cultural and historic properties within the permit area. We are seeking comment from the State Historic Preservation Officer regarding the existence or the potential for existence of significant cultural and historic properties within the permit area. In accordance with Appendix C of 33

CFR Part 325, the Corps has determined that the permit area consists of each new well pad, the proposed berms, the new and re-routed access roads, and the new flowline easements. **The applicant has already prepared a Phase I cultural resources survey report dated April 26, 2013, which has been submitted to the State Historic Preservation Officer for review.**

Unless comment to this notice is received documenting that significant sites or properties exist which may be affected by this work or that adequately documents a potential exists for the location of significant sites or properties within the permit area, the Corps will consult with in-house expertise and the State Historic Preservation Officer to make a final determination based upon the submitted report.

The U.S. Fish and Wildlife Service lists 8 endangered, threatened or candidate species as occurring or potentially occurring in Wayne County, Mississippi. These include the gopher tortoise (T) (*Gopherus polyphemus*), the Louisiana quillwort (E) (*Isoetes louisianensis*), the Gulf sturgeon (TCH) (*Acipenser oxyrinchus desotoi*), the Red-cockaded woodpecker (E) (*Picoides borealis*), the Louisiana black bear (T) (*Ursus americanus luteolus*), the Black pine snake (C) (*Pituophis melanoleucus lodingi*), the Yellow-blotched map turtle (T) (*Graptemys flavimaculata*), and the Pearl darter (C) (*Percina aurora*).

Based on preliminary review of this application, previous consultation on existing work in the Hiwannee Field Unit, and the U.S. Department of the Interior List of Endangered and Threatened Wildlife and Plants the proposed activity is not likely to adversely affect listed endangered or threatened species or their critical habitats.

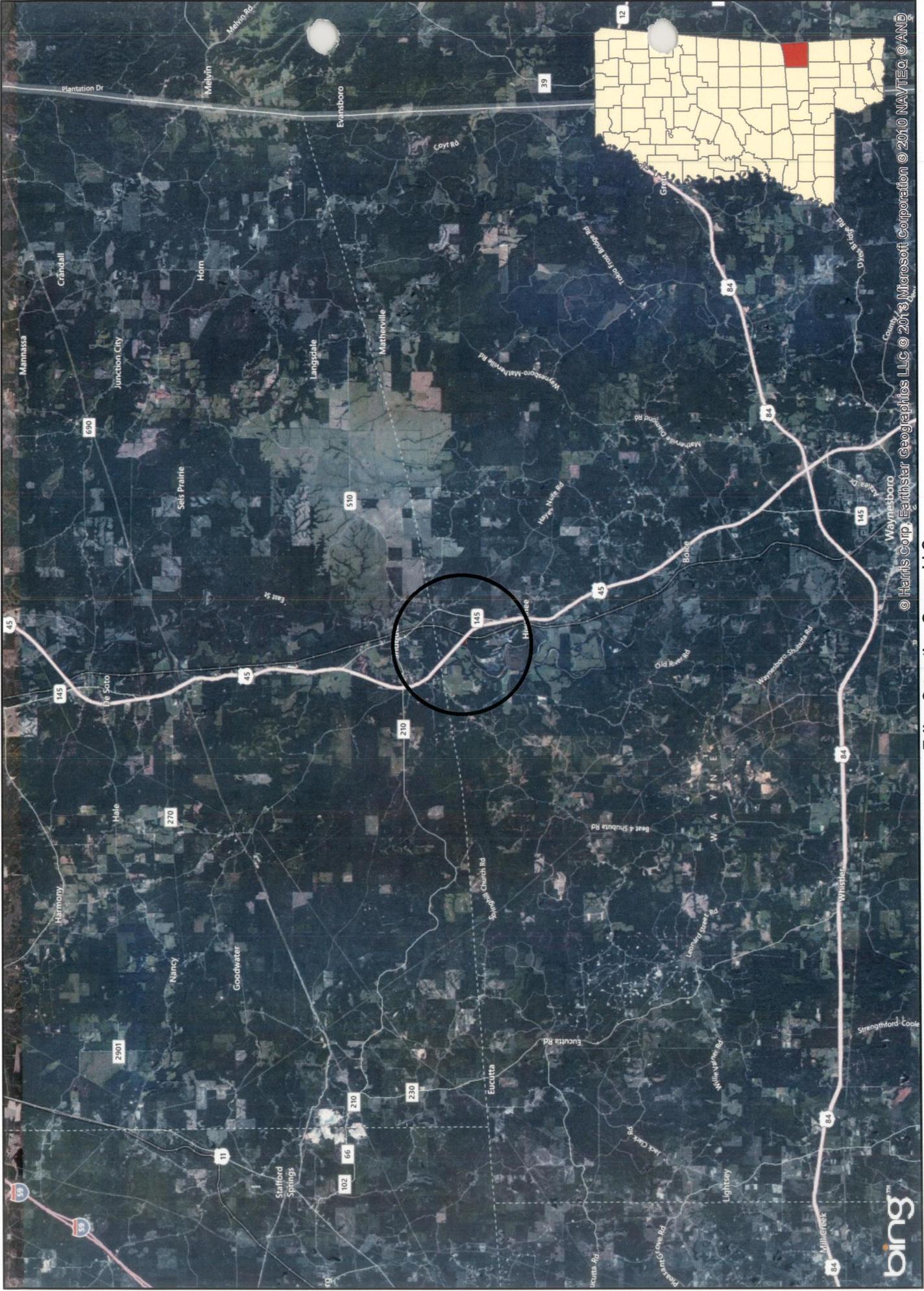
Correspondence concerning this Public Notice should refer to Public Notice Number **SAM-2012-00894-RCV** and should be directed to the District Commander, U.S. Army Engineer District, Mobile, **Attention: Ms. Leslie E. Turney**, Post Office Box 2288, Mobile, Alabama 36628-0001, Attention: South Alabama Branch and a copy to the Mississippi Department of Environmental Quality, Office of Pollution Control, **Attention: Ms. Florance Watson, P.E.**, Post Office Box 2261, Jackson, Mississippi 39225, in time to be **received within 30 days** of the date of this public notice.

If you have any questions concerning this publication, you may contact the project manager for this application, **Ms. Leslie E. Turney** (leslie.e.turney@usace.army.mil), phone **(251) 694-3873**. Please refer to the above Public Notice number.

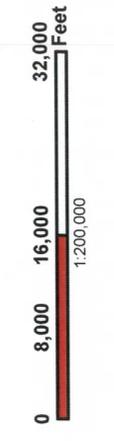
For additional information about our Regulatory Program, please visit our web site at <http://www.sam.usace.army.mil/Missions/Regulatory.aspx>.

MOBILE DISTRICT
U.S. Army Corps of Engineers

Enclosures



Tellus Operating Group, LLC
 Hiwannee 16-11 #1
 Wayne County, MS
[General Location Map](#)

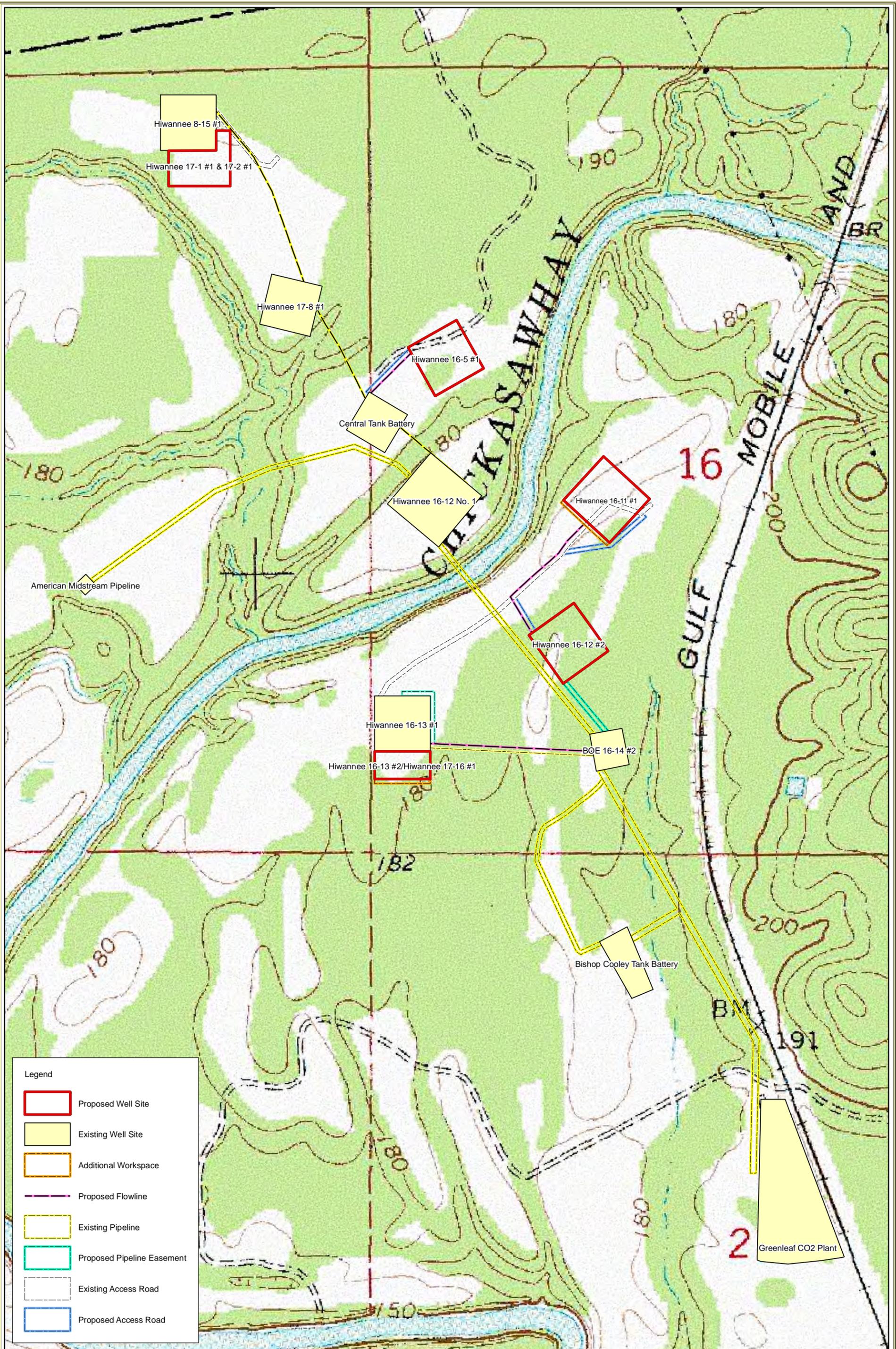


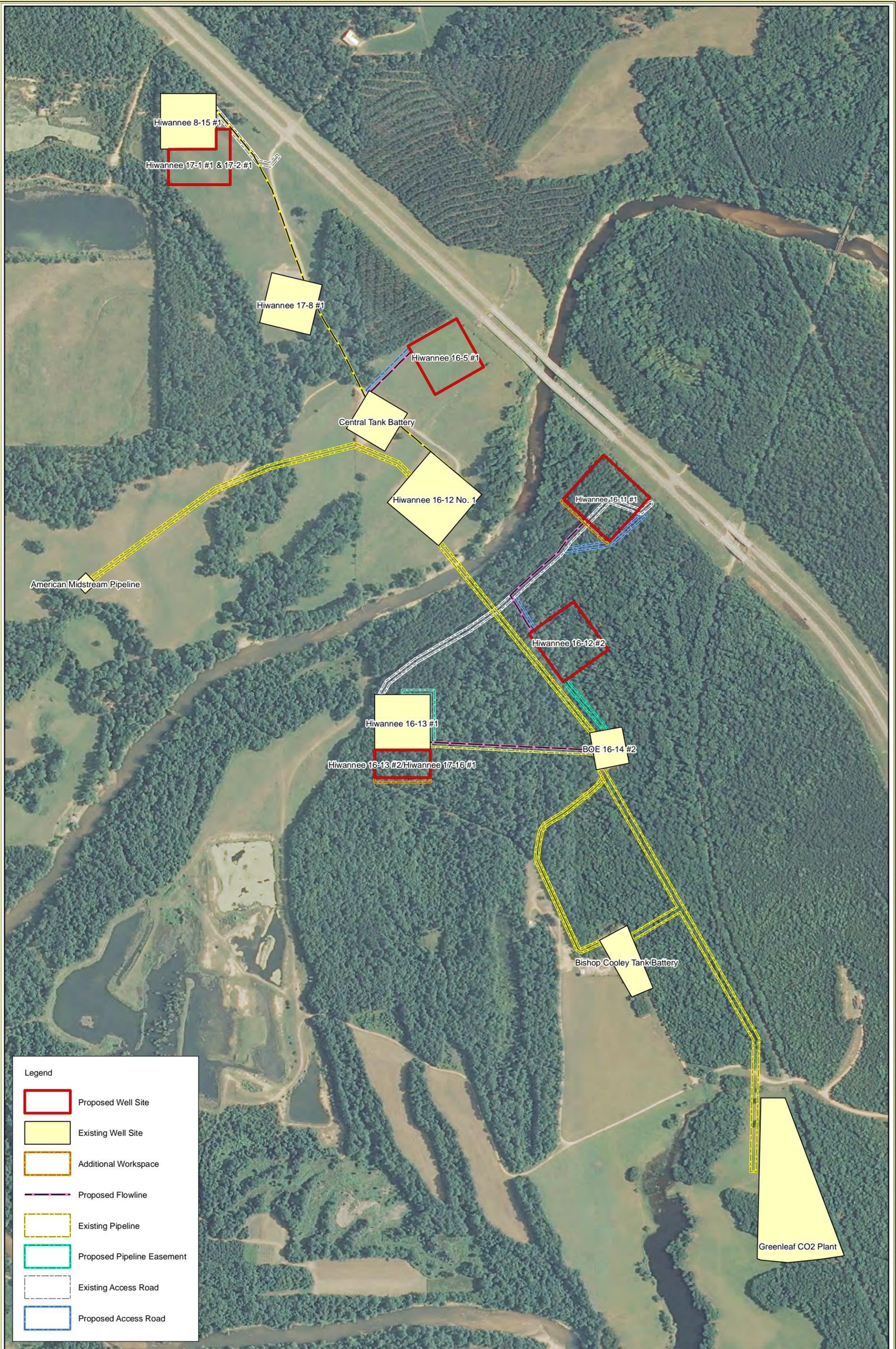
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Bing Aerial

HEADWATERS INC.
 NATURAL RESOURCES CONSULTING
 www.headwaters-inc.com



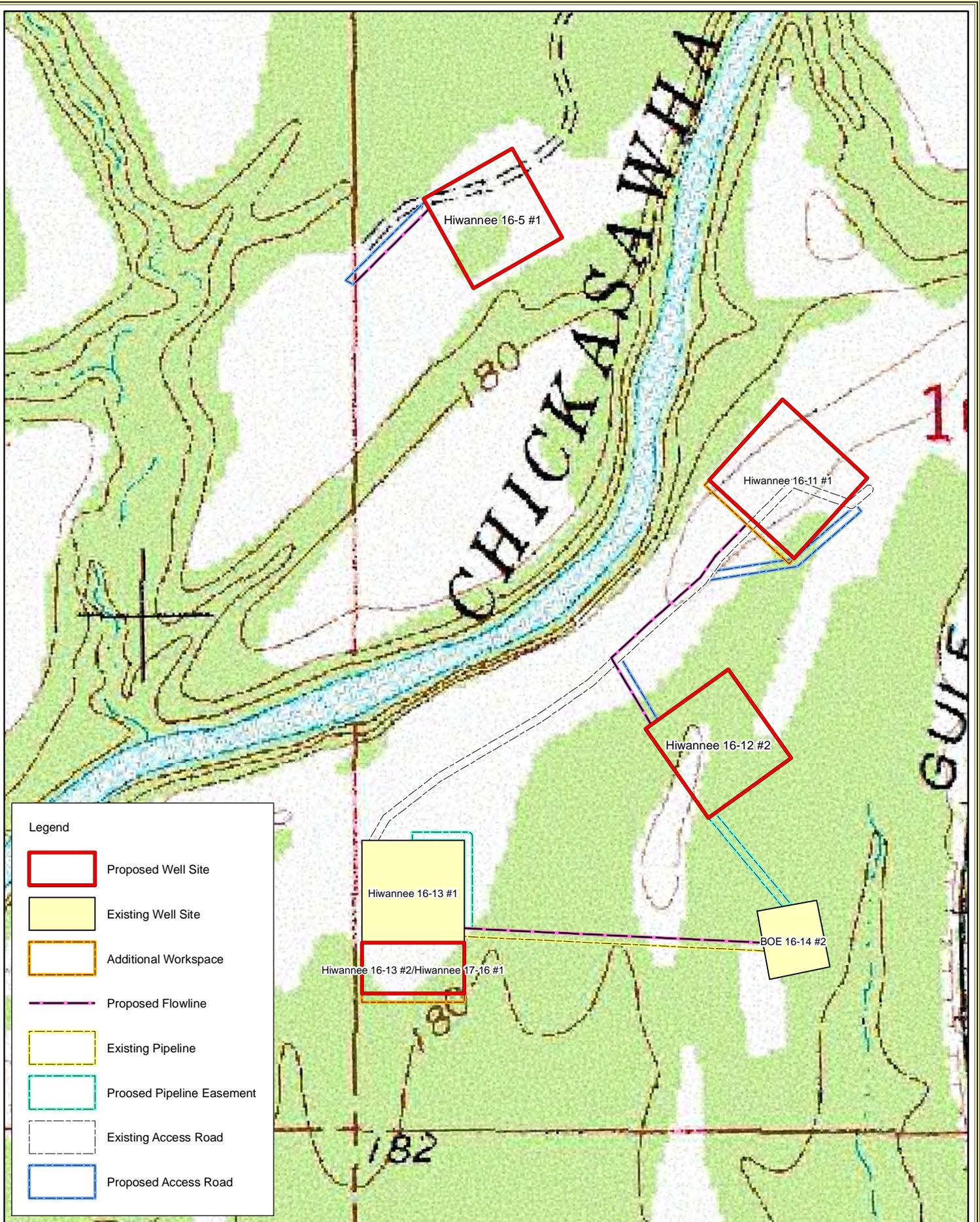




Legend

- Proposed Well Site
- Existing Well Site
- Additional Workspace
- Proposed Flowline
- Existing Pipeline
- Proposed Pipeline Easement
- Existing Access Road
- Proposed Access Road





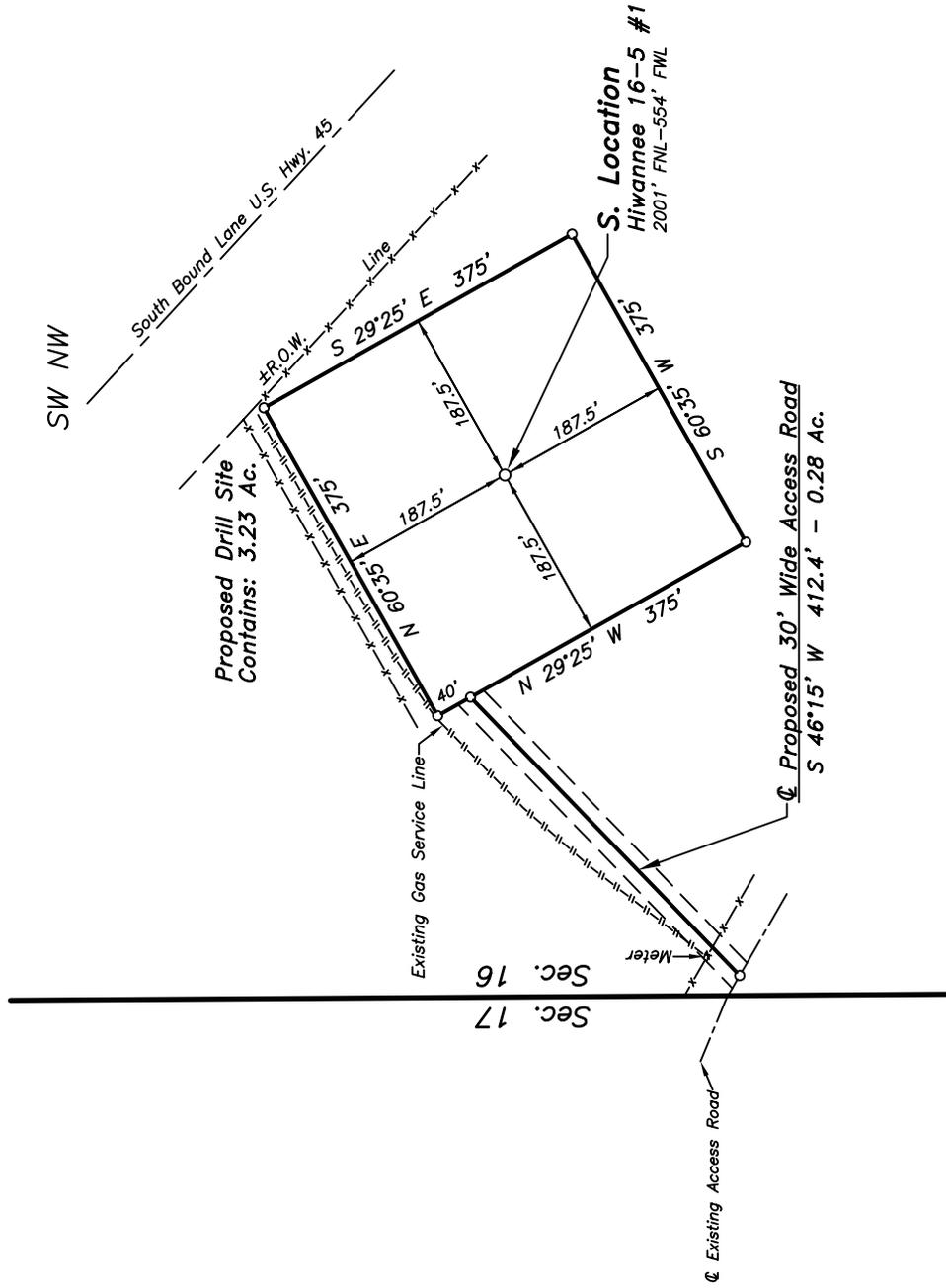
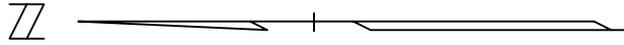
Legend

- Proposed Well Site
- Existing Well Site
- Additional Workspace
- Proposed Flowline
- Existing Pipeline
- Proposed Pipeline Easement
- Existing Access Road
- Proposed Access Road



SE NE

SW NW



PROPOSED
DRILL SITE & ACCESS ROAD

FOR

TELLUS OPERATING GROUP, LLC.
SECTION 16, T10N - R7W
WAYNE COUNTY, MISSISSIPPI

BY

ENGINEERING SERVICE - JACKSON, MISSISSIPPI



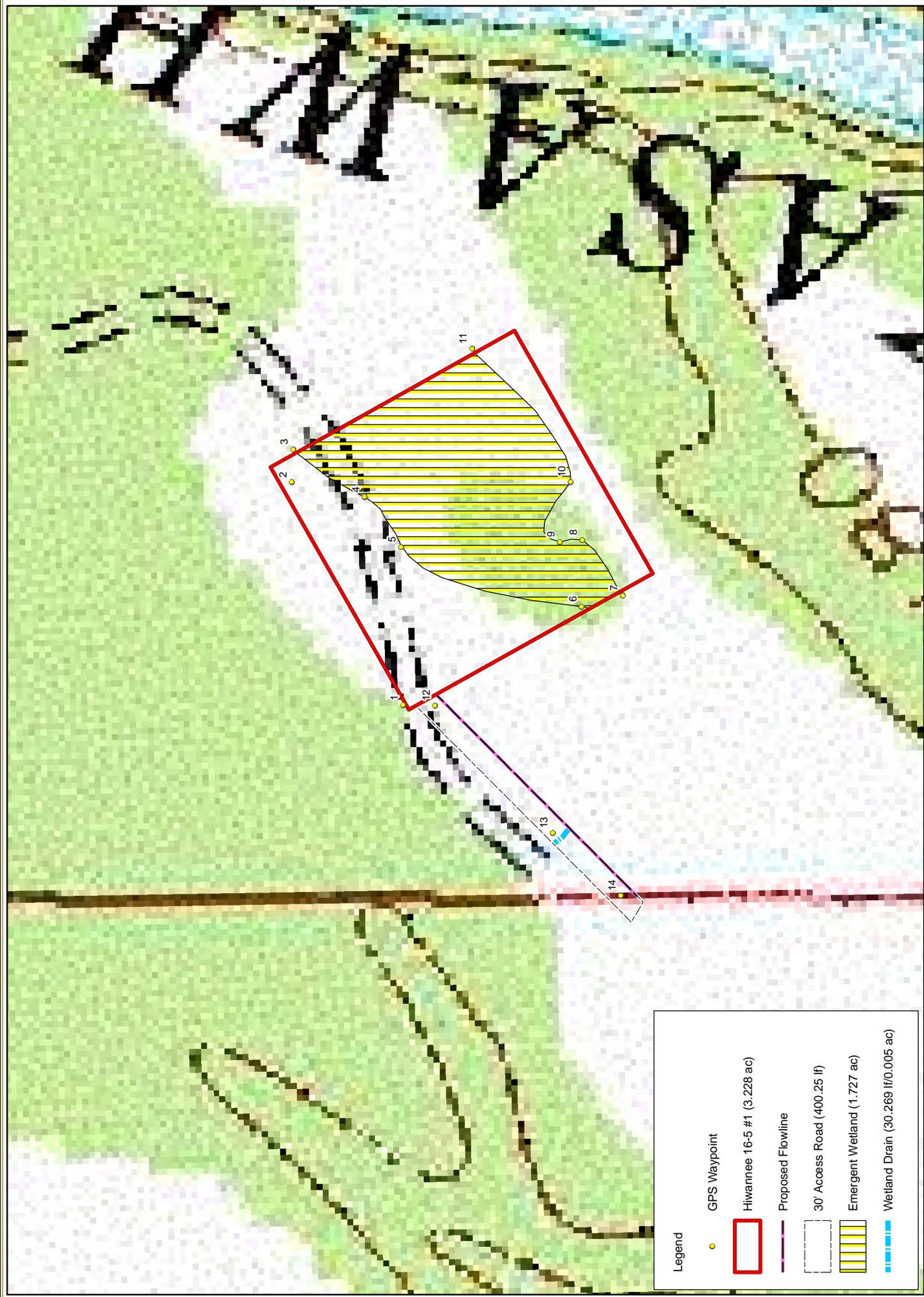
FEBRUARY 19, 2013

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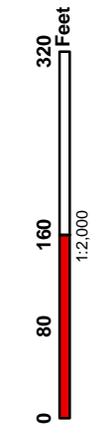
A7846



Legend

- GPS Waypoint
- ▭ Hiwannee 16-5 #1 (3.228 ac)
- Proposed Flowline
- - - 30' Access Road (400.25 lf)
- ▨ Emergent Wetland (1.727 ac)
- ▤ Wetland Drain (30.269 lf/0.005 ac)

Tellus Operating Group, LLC
 Hiwannee 16-5 #1 Well Site
 Wayne County, MS
[GPS/Wetland Location Map](#)



NORTH
 5/15/2013 - AS

U.S.G.S. Shubuta, MS

HEADWATERS INC.
 NATURAL RESOURCES CONSULTING
 www.headwaters-inc.com

SE NW

||

S. Location
Hiwannee 16-11 #1
2400' FSL - 1629' FWL

South Bound Line U.S. Hwy. 45

High Bank

N 42°39' E 400'

S 47°21' E 425'

Proposed Drill Site
Contains: 3.90 Ac.

Existing Access Road

N 47°21' W 425'

S 42°39' W 400'

NE SW

PROPOSED DRILL SITE
FOR
TELLUS OPERATING GROUP, LLC.
SECTION 16, T10N - R7W
WAYNE COUNTY, MISSISSIPPI

BY
ENGINEERING SERVICE - JACKSON, MISSISSIPPI



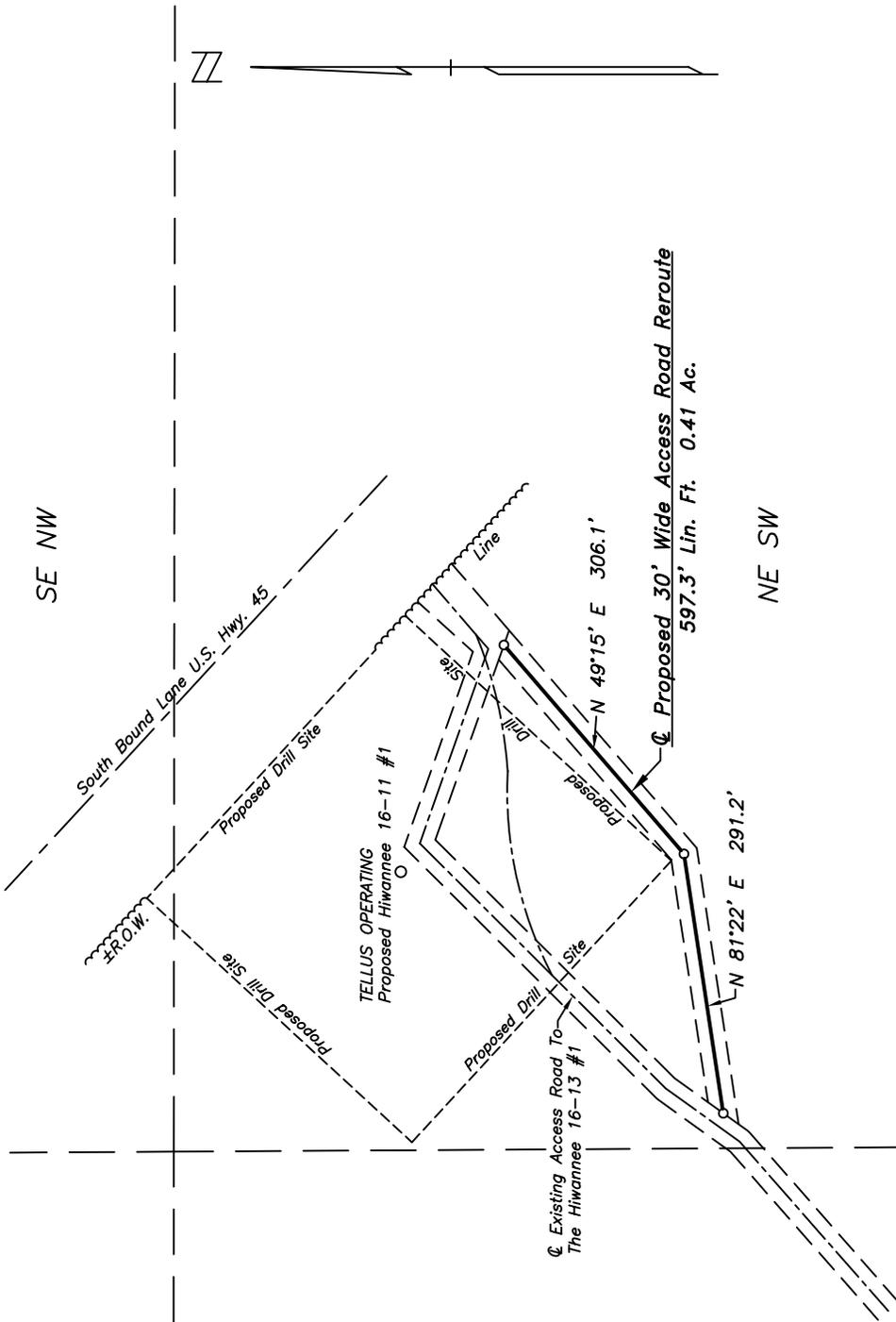
APRIL 1, 2013

SW NW

SE NW

NW SW

NE SW



PROPOSED
ACCESS ROAD REROUTE
FOR

TELLUS OPERATING GROUP, LLC.
SECTION 16, T10N - R7W
WAYNE COUNTY, MISSISSIPPI

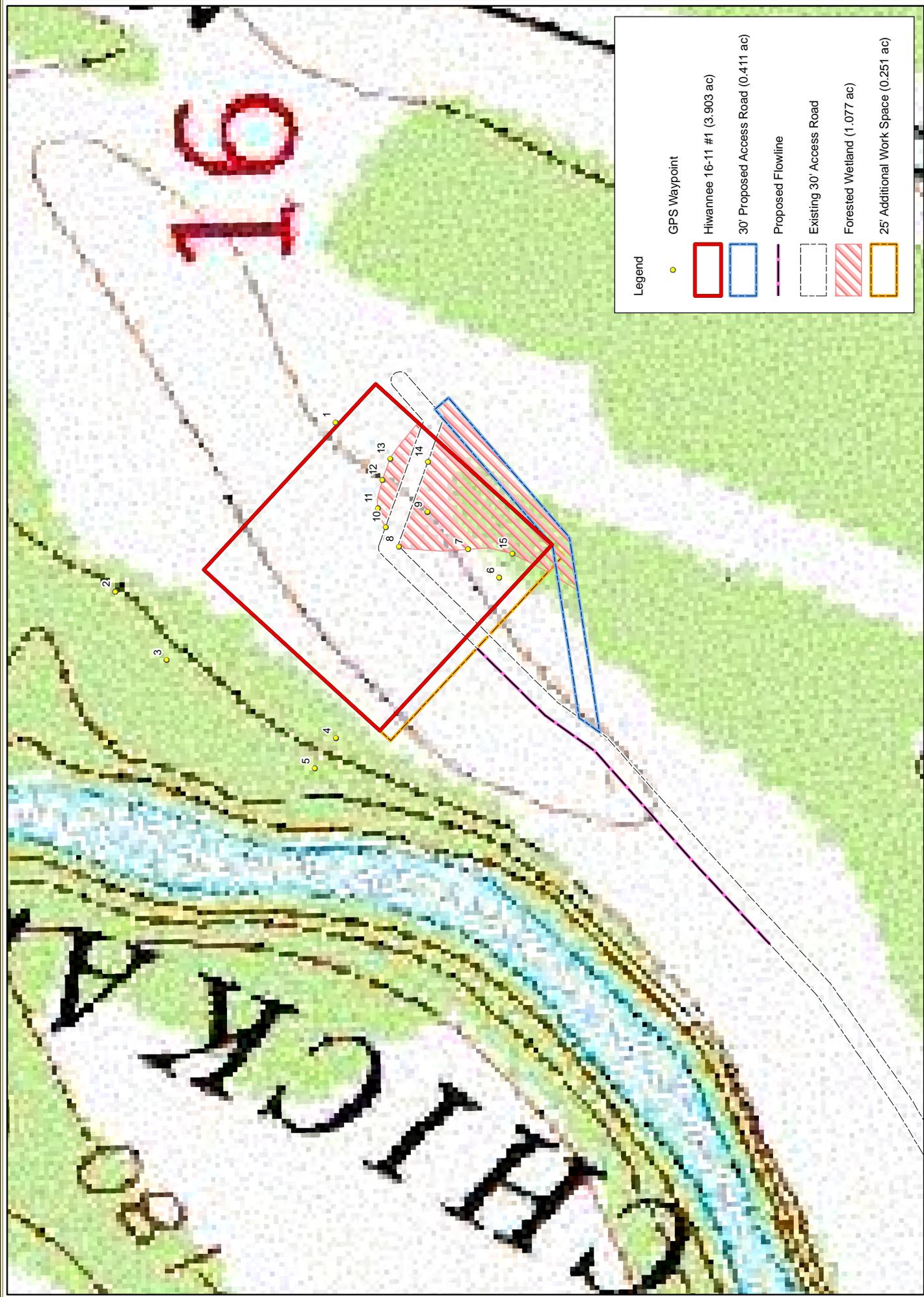
BY

ENGINEERING SERVICE - JACKSON, MISSISSIPPI



SCALE IN FEET

FEBRUARY 21, 2013



Legend

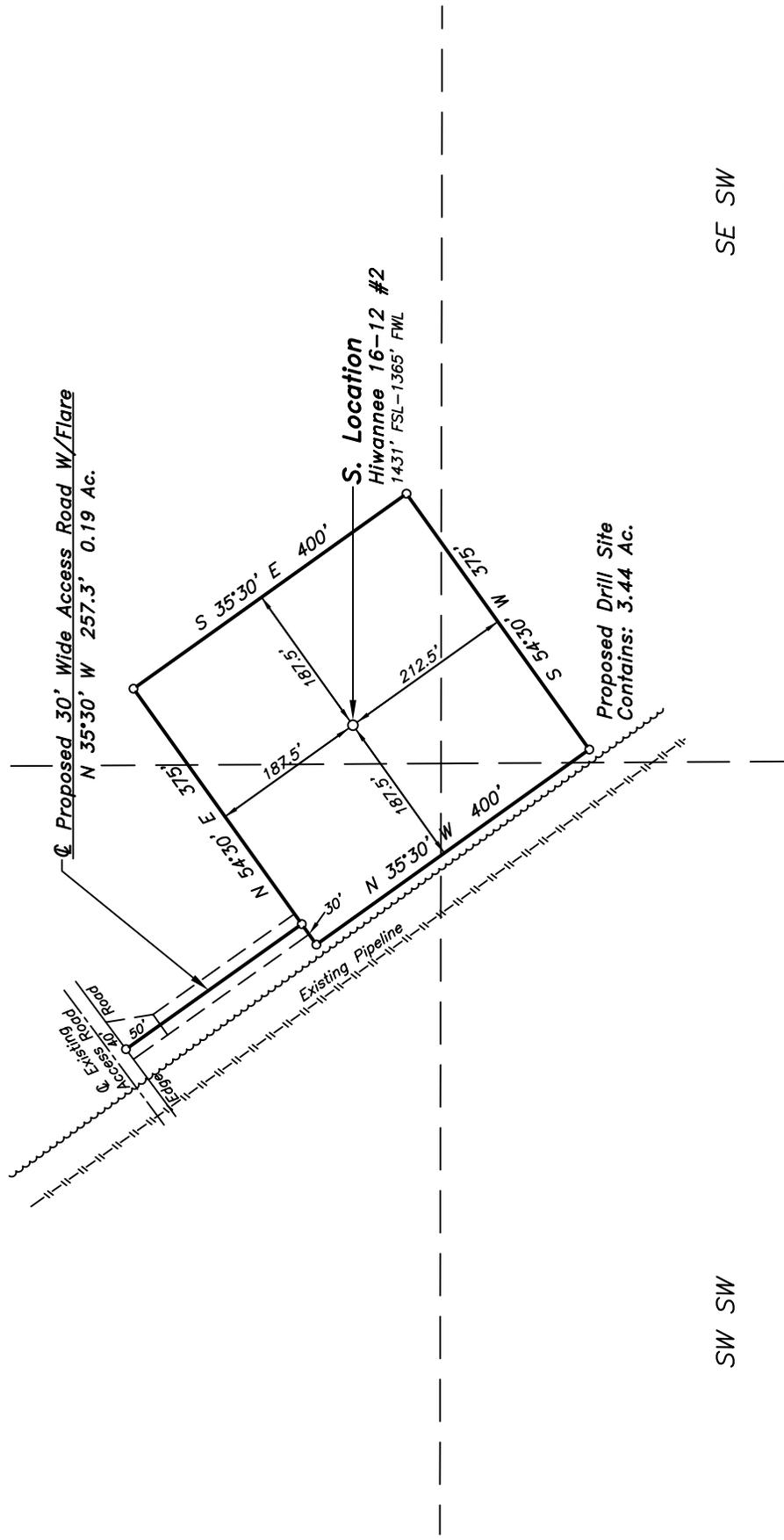
- GPS Waypoint
- ▭ Hiwannee 16-11 #1 (3.903 ac)
- ▭ 30' Proposed Access Road (0.411 ac)
- Proposed Flowline
- ▭ Existing 30' Access Road
- ▨ Forested Wetland (1.077 ac)
- ▭ 25' Additional Work Space (0.251 ac)

NW SW

NE SW

SW SW

SE SW



Proposed 30' Wide Access Road W/Flare
N 35°30' W 257.3' 0.19 Ac.

S. Location
Hiwannee 16-12 #2
1431' FSL-1365' FWL

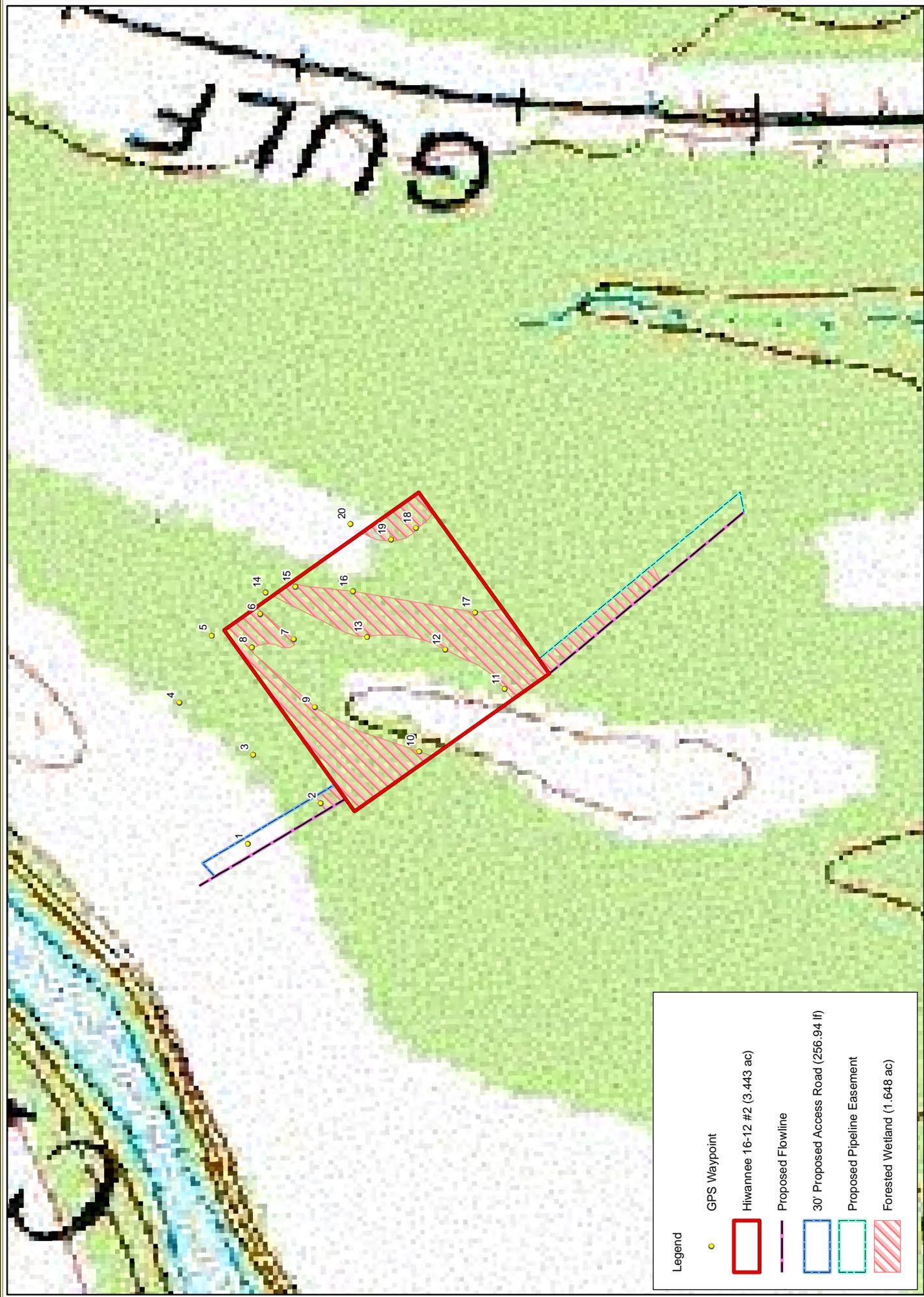
Proposed Drill Site
Contains: 3.44 Ac.

PROPOSED
 DRILL SITE & ACCESS ROAD
 FOR
TELLUS OPERATING GROUP, LLC.
 SECTION 16, T10N - R7W
 WAYNE COUNTY, MISSISSIPPI

BY
 ENGINEERING SERVICE - JACKSON, MISSISSIPPI



FEBRUARY 19, 2013



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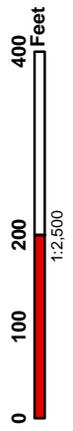
- GPS Waypoint
- ▭ Hiwannee 16-12 #2 (3.443 ac)
- ▭ Proposed Flowline
- ▭ 30' Proposed Access Road (256.94 lf)
- ▭ Proposed Pipeline Easement
- ▭ Forested Wetland (1.648 ac)

Tellus Operating Group, LLC
 Hiwannee 16-12 #2 Well Site
 Wayne County, MS
[GPS/Wetland Location Map](#)

U.S.G.S. Shubuta, MS

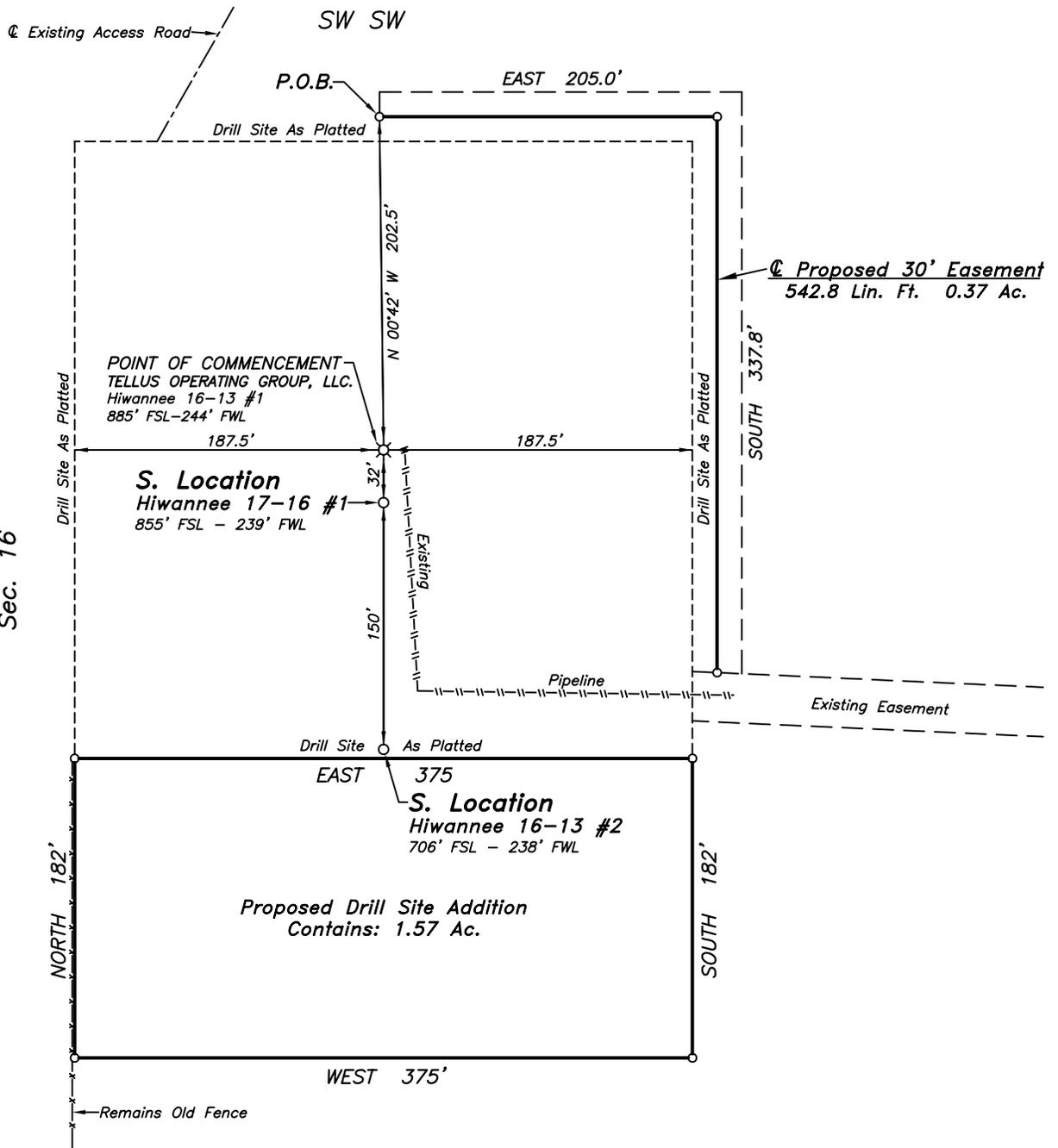
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NORTH
 5/15/2013 - AS



II

Sec. 17
Sec. 16



PROPOSED
DRILL SITE ADDITION & EASEMENT

FOR

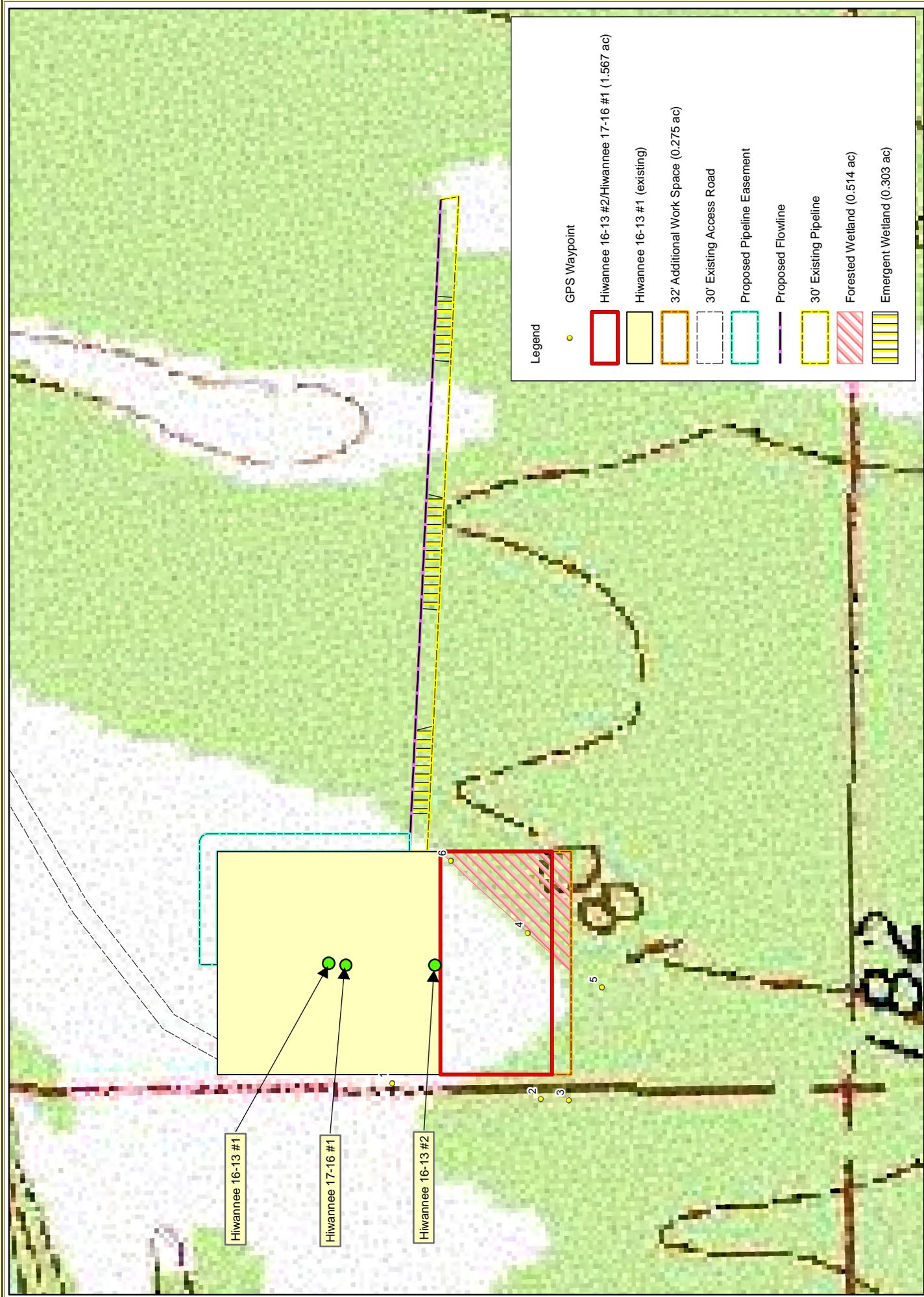
TELLUS OPERATING GROUP, LLC.
SECTION 16, T10N - R7W
WAYNE COUNTY, MISSISSIPPI

BY

ENGINEERING SERVICE - JACKSON, MISSISSIPPI



APRIL 1, 2013



Legend

- GPS Waypoint
- Hiwannee 16-13 #2/Hiwannee 17-16 #1 (1.567 ac)
- Hiwannee 16-13 #1 (existing)
- 32' Additional Work Space (0.275 ac)
- 30' Existing Access Road
- Proposed Pipeline Easement
- Proposed Flowline
- 30' Existing Pipeline
- Forested Wetland (0.514 ac)
- Emergent Wetland (0.303 ac)

Hiwannee 16-13 #1

Hiwannee 17-16 #1

Hiwannee 16-13 #2