



DEPARTMENT OF THE ARMY
MOBILE DISTRICT, CORPS OF ENGINEERS
P.O. BOX 2288
MOBILE, ALABAMA 36628-0001

REPLY TO
CESAM-RD-C
PUBLIC NOTICE NO.
SAM-2006-1531-MBM

AUG 25 2006

JOINT PUBLIC NOTICE
U.S. ARMY CORPS OF ENGINEERS AND
ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

PROPOSED CONSTRUCTION OF NATURAL GAS PIPELINES AND PUMPING STATIONS
ASSOCIATED WITH DEVELOPMENT OF A NATURAL GAS STORAGE FACILITY IN
SOUTH MOBILE COUNTY NEAR CODEN, ALABAMA

TO ALL CONCERNED: The U.S. Army Corps of Engineers, Mobile District, (Corps) has received an application for a Department of the Army Permit pursuant to Section 10 of the Rivers and Harbors Act of 1899 (33 USC 403) and 404 of the Clean Water Act (33 USC 1344). This public notice is being distributed to all known interested persons to assist in developing facts on which a decision by the Corps can be based. Please communicate this information to interested parties.

APPLICANT: Falcon Gas Storage Company, Inc.
MoBay Storage Hub Project
c/o William E. Workman and Associates
Post Office Box 745
Lillian, Alabama 36549

LOCATION: Mississippi Sound north of Dauphin Island to a compressor and metering station near Coden, Mobile County, Alabama.

WORK: Falcon Gas Storage Company proposes to construct and operate the MoBay Storage Hub natural gas storage facility in south Mobile County, Alabama. The purpose of the project is to develop and access three underground natural gas storage areas located within the Mississippi Sound. The applicant proposes to construct up to 30 new injection and withdrawal wells supported by 10 caissons. The applicant also proposes to construct 14 observation caissons over the storage areas. There would be approximately 7.41 miles of buried distribution lines connecting the wells to the caissons. The caissons would connect to 2 existing platforms within the Mississippi Sound. Each platform will have a compressor unit that will connect, via 15.5 miles of 36-inch pipeline, to an onshore compressor station to be located near Rock Road in Coden, Alabama. From the onshore compressor station, natural gas would then be distributed through 3 metering stations and 3.5 miles of 24-inch pipelines to the three nearby existing natural gas distribution pipelines. Except for permanent placement of caissons, all offshore pipeline impacts are related to hydraulic jetting and flotation dredging associated with the burying of the pipelines. No seagrass beds, oyster beds, T&E species or critical habitats will be affected. On land, the project proposes to directional drill under

a 61-foot wide unnamed tidal stream, and temporary open trench through Bayou Como (15-feet wide) and Bayou Jonas (20-feet wide) and an unnamed intermittent tributary to Bayou Jonas (25-feet wide). All trenches will be restored to natural grade. A total of 62.4 acres of wetlands will be temporarily impacted by pipeline construction and replanted as determined necessary for forested wetlands. Approximately 101.4 acres of wetlands will be permanently altered by the proposed project. The applicant has requested authorization to allow for a 75-foot permanent right-of-way which would permanently convert 55.3 acres of forested wetlands comprised of pine flatwood, hardwood drain and cypress stands, 43.6 acres of shrubscrub and 2.5 acres of emergent wetlands to a regularly maintained wetland system within the pipeline right-of-way. Wetland impacts will be minimized by carefully setting aside and replacing the topsoil layers to natural grade. Approximately 1.3 acres of forested wetlands, 0.6 acre of shrub scrub and 0.1 acre of emergent wetlands will be permanently filled for access roads and facilities. The applicant proposes to mitigate for wetland functional losses by purchasing credits from an approved wetland mitigation bank.

The decision whether to issue a permit will be based on an evaluation of the probable impact, including cumulative impacts, of the proposal on the public interest. That decision will reflect the national concern for both protection and use of important resources. The benefit which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors and their cumulative effects relevant to the proposal will be considered, including conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, property ownership, and in general the needs and welfare of the people.

To evaluate the impacts of this proposal the Corps is soliciting comments from the public; Federal, State and local agencies and officials; Indian Tribes; and other interested parties. 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. Comments will be considered to determine whether to issue, modify, condition or deny a permit. To make this decision, an Environmental Assessment is prepared in accord with the National Environmental Policy Act; impacts are assessed on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are also used to determine the need for a public hearing and to determine the overall public interest. Anyone may request a public hearing to consider this proposal. Requests should provide in writing, within the specified comment period, detailed reasons for a hearing.

This notice initiates the Essential Fish Habitat (EFH) consultation requirements of the Magnuson-Stevens Fishery Conservation and Management Act. This project will temporarily disturb approximately 14-acres (608,296 square feet) of Essential Fish Habitat for managed species in the Gulf of Mexico. Loss of this nursery habitat may adversely affect species of the snapper-grouper, shrimp, and/or coastal migratory pelagic management complexes, but the District Commander has made a preliminary determination that this site-specific adverse effect will not be substantial. Our final determination relative to project impacts to EFH and the need for mitigation measures are subject to review by and coordination with the National Marine Fisheries Service and the Gulf of Mexico Fishery Management Council.

This notice is being sent to appropriate State and Federal agencies, including the State Historic Preservation Officer and the U.S. Department of the Interior, National Park Service, Division of

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Archeological Services. No properties listed in or eligible for the National Register of Historic Places is known to exist which would be affected by the proposal. Comments are requested regarding the potential or existence of cultural resources which may be affected. The U.S. Department of the Interior List of Endangered and Threatened Wildlife and Plants indicates that the proposal will not affect listed species, or their critical habitat. Other impacts from dredge and fill activities will be evaluated by applying Environmental Protection Agency guidelines. The National Marine Fisheries Service requires the evaluation of impacts to Essential Fish Habitat of estuarine species. After review of public comments, the Alabama Department of Environmental Management will determine if the proposal complies with and will be operated or maintained in a manner consistent with the Clean Water Act and the Coastal Zone Management Program.

For additional information, please contact this office at telephone number (251) 690-2658. Comments may be provided via e-mail to Michael.B.Moxey@sam.usace.army.mil. Comments should be received no later than 30 days from the date of this Public Notice. Please refer to number **SAM-2006-1531-MBM** and direct your correspondence to the District Commander, U.S. Army Engineer District, Mobile, Post Office Box 2288, Mobile, Alabama 36628-0001, Attention: Regulatory Division; and a copy to the Alabama Department of Environmental Management, Coastal Facility Section, 4171 Commanders Drive, Mobile, Alabama 36615.

Enclosures

MOBILE DISTRICT
U.S. Army Corps of Engineers

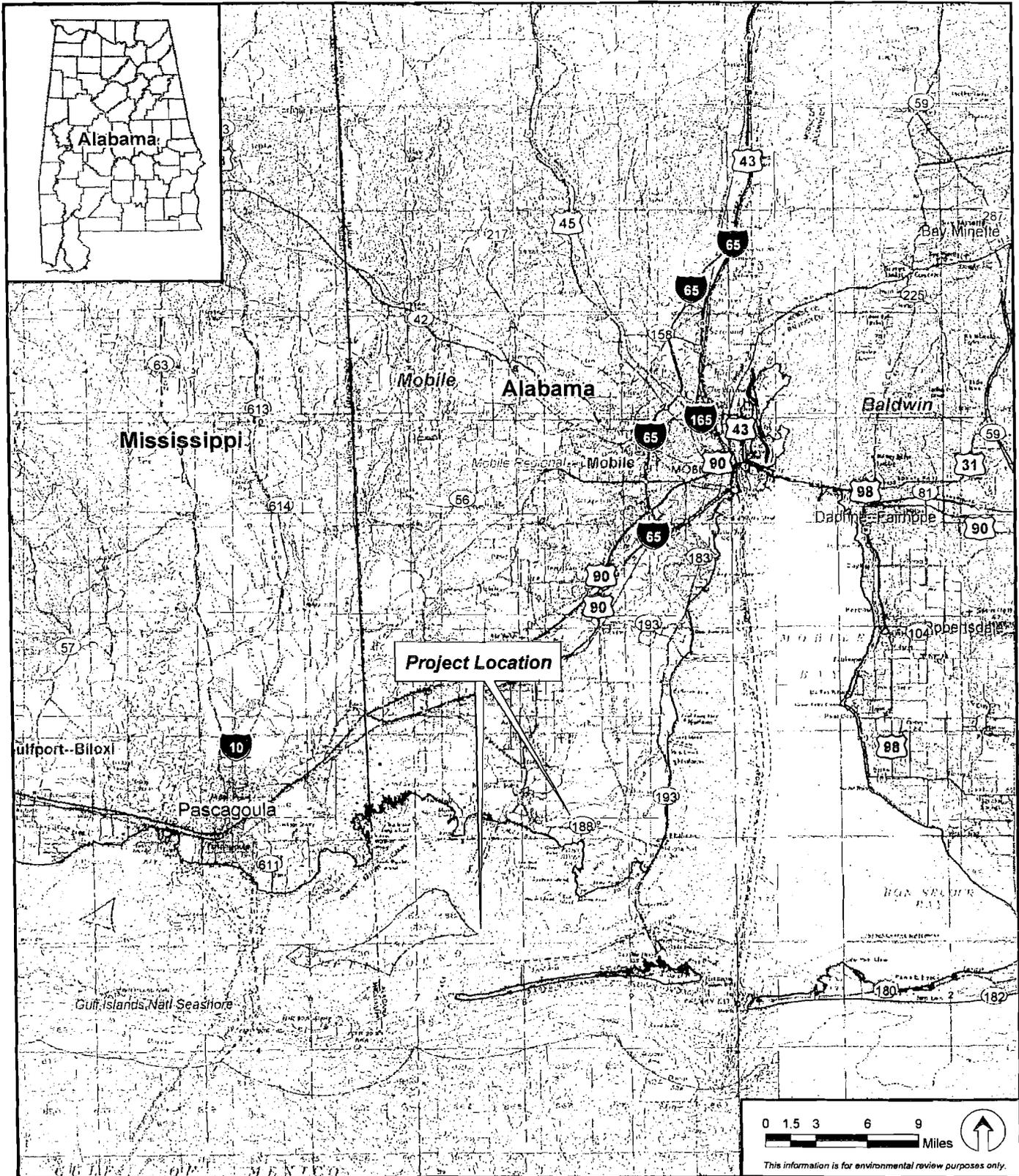
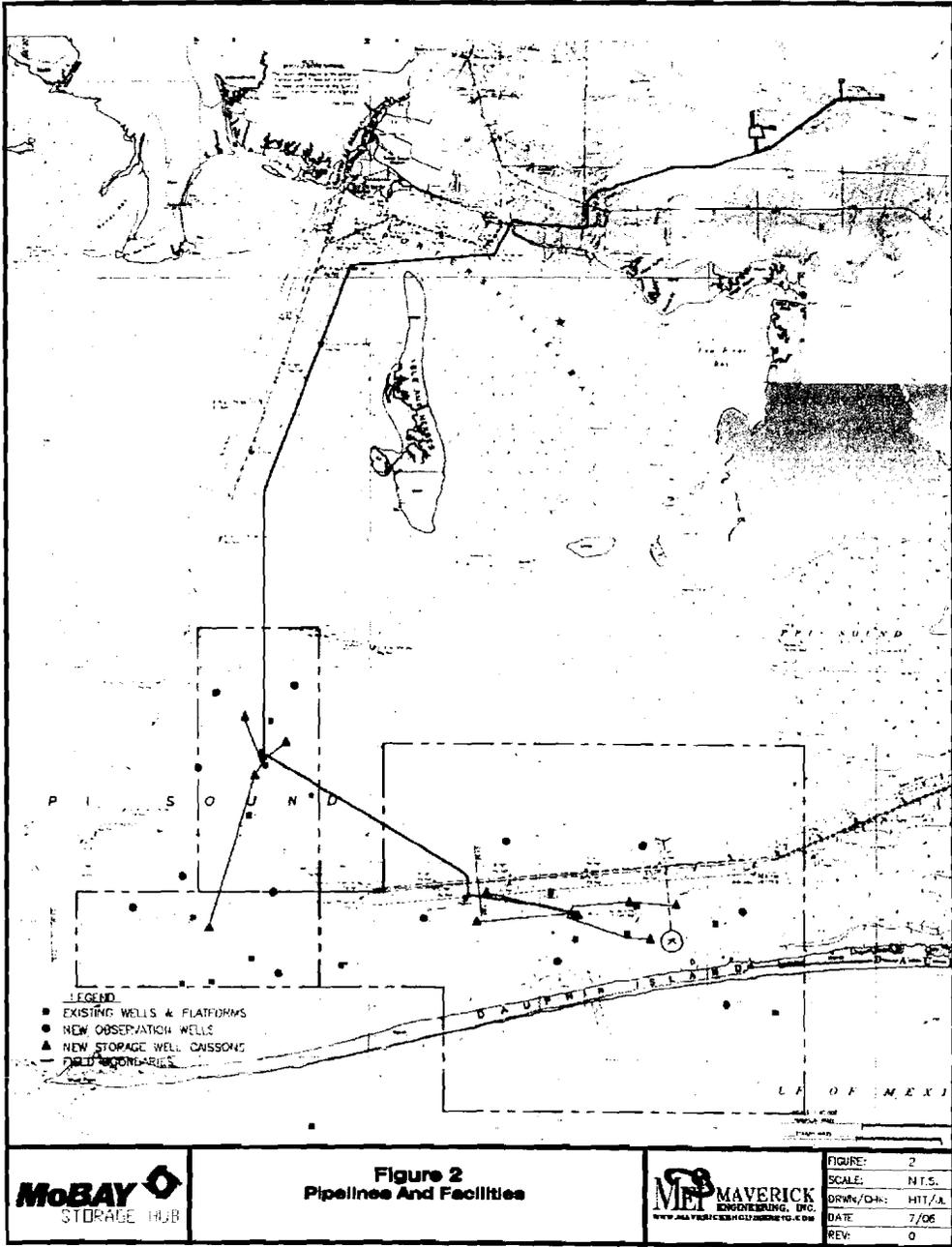


Figure 1
MoBay Storage Hub
Project Location Map

DATE: 06/15/06
 REVISED: 06/15/06
 SCALE: 1:500,000
 DRAWN BY: KJANDERSON
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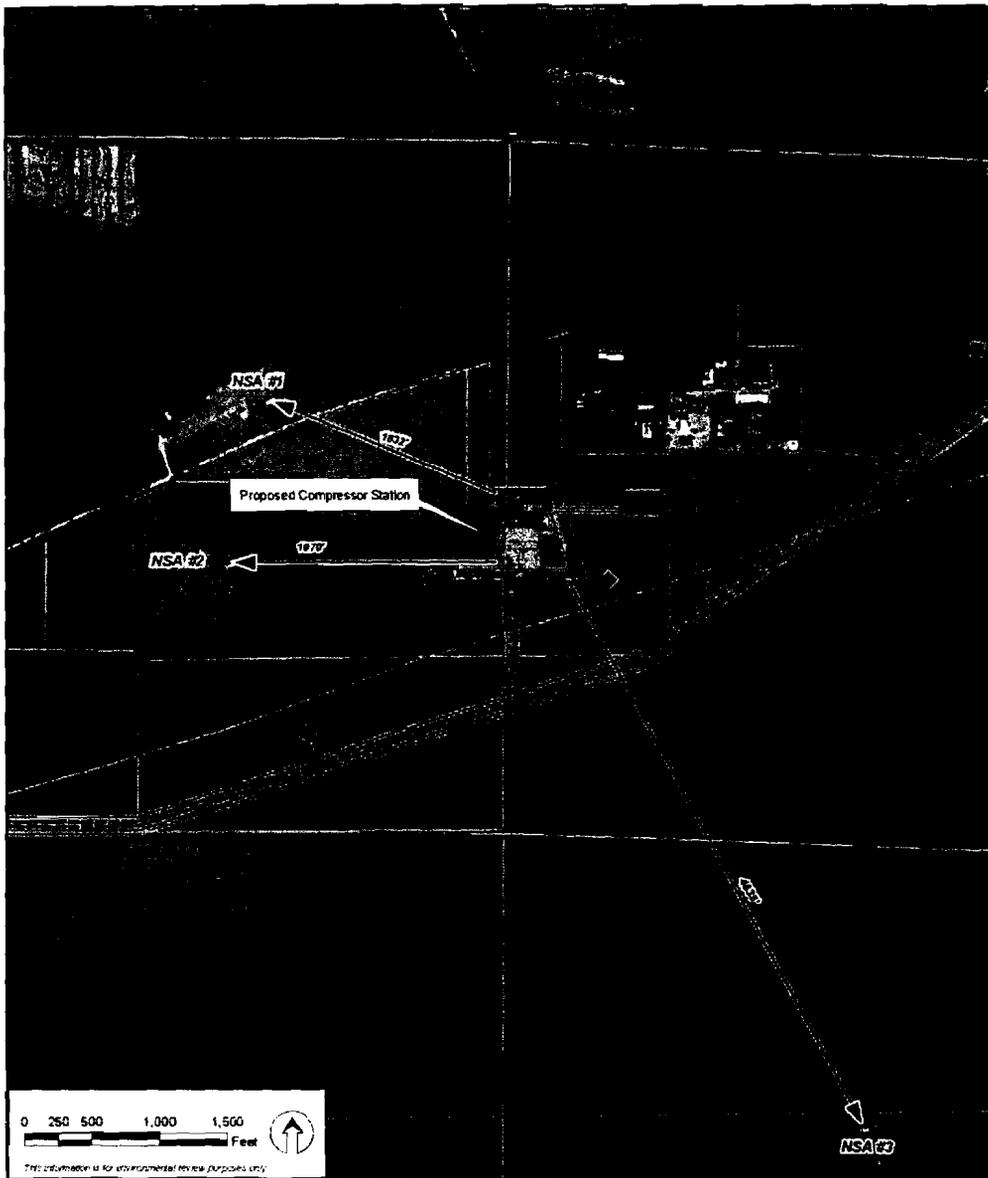


Figure 5
MoBay Storage Hub
 MoBay Compressor Station and NSA Locations

DATE: 06/15/06
 REVISED: 07/19/06
 SCALE: 1:12,000
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