

Public Notice

Applicant: ExxonMobil Production Company

Project No.: SWF-2013-00235

Date: July 3, 2013

The purpose of this public notice is 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. We hope you will participate in this process.

Regulatory Program

Since its early history, the U.S. Army Corps of Engineers has played an important role in the development of the nation's water resources. Originally, this involved construction of harbor fortifications and coastal defenses. Later duties included the improvement of waterways to provide avenues of commerce. An important part of our mission today is the protection of the nation's waterways through the administration of the U.S. Army Corps of Engineers Regulatory Program.

Section 10

The U.S. Army Corps of Engineers is directed by Congress under Section 10 of the Rivers and Harbors Act of 1899 (33 USC 403) to regulate all work or structures in or affecting the course, condition or capacity of navigable waters of the United States. The intent of this law is to protect the navigable capacity of waters important to interstate commerce.

Section 404

The U.S. Army Corps of Engineers is directed by Congress under Section 404 of the Clean Water Act (33 USC 1344) to regulate the discharge of dredged and fill material into all waters of the United States, including wetlands. The intent of the law is to protect the nation's waters from the indiscriminate discharge of material capable of causing pollution and to restore and maintain their chemical, physical and biological integrity.

Contact

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JOINT PUBLIC NOTICE

U.S. ARMY CORPS OF ENGINEERS, FORT WORTH DISTRICT

AND

RAILROAD COMMISSION OF TEXAS

SUBJECT: Application for a Department of the Army Permit under Section 404 of the Clean Water Act (CWA) and for water quality certification under Section 401 of the CWA to discharge dredged and fill material into waters of the United States associated with a proposal by ExxonMobil Production Company to construct the Dubya Bee well site, access road, and flowline in Titus County, Texas.

APPLICANT: ExxonMobil Production Company

c/o Mr. Michael Barbella 396 West Greens Road Houston, Texas 77067

APPLICATION NUMBER: SWF-2013-00235

DATE ISSUED: July 3, 2013

LOCATION: The proposed project would be located in the White Oak Bayou watershed approximately 1.68 miles southeast of the Farm-to-Market Road 71 and County Road 1915 intersection east of Talco in Titus County, Texas. USGS NAD 83 coordinates for the proposed project are as follows: Latitude 33.347296° North, Longitude 95.024327° West. The site is mapped on the Talco, Texas 7.5-minute USGS quadrangle map in the USGS Hydrologic Unit 11140303.

OTHER AGENCY AUTHORIZATIONS: State Water Quality Certification

PROJECT DESCRIPTION: ExxonMobil Production Company (ExxonMobil) proposes to discharge approximately 15,423.5 cubic yards of dredged and fill material into 2.39 acres of waters of the United States in conjunction with the construction of the Dubya Bee well site and access road. Construction of the proposed Dubya Bee project would adversely impact approximately 2.15 acres of shrub/scrub wetland and 0.02 acre of forested wetland within the well pad, approximately 0.22 acre of forested wetland within the access road, and approximately 0.14 acre of emergent wetland, 0.10 acre of shrub/scrub wetland, 0.23 acre of forested wetland within the flowline, and 138.58 feet of ephemeral stream. Wetlands (0.47 acre) and an ephemeral stream (138.58 feet) identified within the proposed flowline would be temporarily impacted during construction and permanently maintained as non-forested waters of the United States, including wetlands. The proposed project is located within 600 feet of an existing well site

within waters of the United States, and would not meet the terms and conditions of a Regional General Permit No. 11 (RGP-11). Therefore, a standard individual permit would be required.

The purpose of this project is to obtain recoverable crude oil reserves within an existing mineral lease. The project area is located within the floodplain of White Oak Creek; therefore, all wetlands delineated on the proposed project are jurisdictional under Section 404 of the Clean Water Act.

Dominant vegetation observed within the emergent wetland community included cattail (*Typha latifolia*, OBL).

Dominant vegetation observed within the shrub/scrub wetland community included Eastern baccharis (*Baccharis halimifolia*, FACW), willow oak (*Quercus phellos*, FACW), Nuttall's oak (*Quercus nuttallii*, FACW), common rush (*Juncus effusus*, OBL), slender woodoats (*Chasmanthium laxum*, FAC), annual mash elder (*Iva annua*, FAC), and *Smilax* spp.

Dominant vegetation observed within the forested wetland community included willow oak, overcup oak (*Quercus lyrata*, OBL), American elm (*Ulmus americana*, FAC), common rush, prairie spiderwort (*Tradescantia occidentalis*, NI), curly dock (*Rumex crispus*, FACW), and Alabama supplejack (*Berchemia scandens*, FAC).

ALTERNATIVE LOCATIONS AND ALTERNATIVE LAYOUTS: The following discusses alternatives considered during the selection of the proposed project area. It consists of four sections: No-Action/No-Build Alternative, Alternate Locations, Smaller Pad Alternative, and the Preferred Alternative.

No-Action/No-Build Alternative

Based on economic needs of the applicant, it was determined that the No-Action Alternative is not a viable option.

Alternative Locations

The ExxonMobil geoscience team designs wells to target hydrocarbons located within subsurface sand channel reservoirs of the Talco Field. New well penetration point targets are constrained because reservoir sand quality and structure are variable across the field. They are amalgamated fluvial-deltaic sands, and vary from less than 5' to more than 100' thick. Some areas of the field are entirely shale (non-reservoir), and may directly abut sand targets (potentially less than 25' from targets). These sands are generally 'sand belts' similar to the shape of modern rivers in map view (but stacked vertically in their development, interbedded and intercut non-reservoir shales and reservoir sands). The field is structurally complex, being normal-faulted with numerous highs and lows. The true vertical depth of reservoirs can vary by hundreds of feet, often within hundreds of feet laterally. Targeting is further constrained such that wells must be appropriately oriented to enter reservoir targets as limited by where fault blocks are located. Additionally, historical production in the field has moved hydrocarbons

contained in these reservoir sands such that many potential reservoirs contain variable amounts of producible hydrocarbons. Generally, reservoirs are extremely variable in three dimensions. Specifically this means ExxonMobil must drill to within 3' of estimated sand tops, sometimes with lateral variability of penetration points needing to be less than 100' in any direction from the target.

This extreme lateral variability in reservoir quality, structural position of faulted reservoirs, and estimated hydrocarbon presence means that there are very few specific viable penetration points across lease lines and field unit boundaries for surface-hole locations. Because of engineering constraints on well design (such as designing the safest, least risky kind of well path, and physical constraints of steel casing, tubing and drill bits) ExxonMobil is further limited in where surface locations may be placed. Additionally, nearby wells are a risk for collision (many are less than 100' from planned well paths). The need to plan wells avoiding these existing wells in the subsurface tightly constrains new well surface locations.

The need for long laterals, the orientation of identified sand complexes, and the presence of numerous existing vertical wellbores makes placement of new horizontal wells very challenging. The aforementioned restrictions severely limit the placement of new horizontal wells. The first step in the process of well planning is to identify thick reservoir sands in the oil zone where it is physically possible to fit a 3000' or longer wellbore horizontally between existing wellbores and maximizing offset distance from those existing wells to avoid potential collision. After determining the placement and orientation of the horizontal well section the next step is to identify an appropriate surface hole location. Geometry and physical drilling limitations have established that the surface hole from which the lateral section would be drilled needs to fall between 1200' and 1500' from the reservoir penetration point. After identifying a potential surface hole location the next step in well planning is to go to the field and survey the prospective surface location and adjust the surface hole within the specified area to minimize impact on existing facilities, offset wells, and sensitive resources (i.e., waters of the US). Occasionally, there is no viable surface location from which to drill that does not at least partially impact waters of the US.

Given the constraints described above, the applicant searched for available alternative site locations within the lease boundary to determine the best location of the proposed well pad. A total of four alternate locations were evaluated at locations west of the preferred alternative along the proposed well bore axis. However, based on the site investigation, aerial photographic maps, topographic maps, and soil maps, these areas also exhibited mixed wetland habitats (forested, shrub/scrub, and/or emergent wetlands) and are likely situated within the 100-year flood zone (Titus County flood zones have not been mapped).

Additionally, access roads for construction and maintenance are not available for the alternative locations investigated and thus additional permanent impacts to waters of the United States by constructing the new access road would occur. Due to greater permanent impacts to waters of the United States and impacts within flood prone areas, these locations were ultimately determined to be unacceptable and not practicable alternatives.

Smaller Pad Alternatives

The applicant considered reducing the size of the well pad in order to minimize potential impacts to waters of the United States and a known flood zone; however, the applicant has designed the proposed pad to the minimum size necessary to perform the required activities with the drilling rig currently being utilized. Therefore, decreasing the pad size from the proposed pad size would not be a viable option. A further reduction in size would not accommodate the equipment necessary to conduct business and could potentially pose a safety hazard to ExxonMobil personnel.

Applicant's Preferred Alternative

The applicant's preferred alternative is to build the proposed Dubya Bee well pad as proposed. Impacts to waters of the United States resulting from construction of the proposed Dubya Bee well location includes approximately 0.14 acre of emergent wetland, 2.25 acres of shrub/scrub wetland, 0.45 acre of forested wetland, and 138.58 feet of ephemeral stream. Therefore, unavoidable impacts to waters of the United States, including wetlands, as a result of the proposed Dubya Bee well location are 2.86 acres of wetlands and 138.58 feet of stream.

The Project would utilize existing access roads and infrastructure to the greatest extent practicable. This would achieve the objective of providing crude oil to the public while minimizing impacts to waters of the United States. Due to minimal impacts to waters of the United States, the preferred alternative site was selected as the most practicable alternative.

COMPENSATORY MITIGATION: ExxonMobil proposes to purchase credits from Brooks Creek Mitigation Bank to compensate for impacts caused by this proposed project. ExxonMobil would purchase 8.4 credits to compensate unavoidable permanent impacts to 2.25 acres of shrub/scrub wetland and 0.45 acre of forested wetland. The purchase of credits shall occur prior to any ground-disturbing activities associated with this proposed Dubya Bee well project.

PUBLIC INTEREST REVIEW FACTORS: This application will be reviewed in accordance with 33 CFR 320-332, the Regulatory Program of the U. S. Army Corps of Engineers (USACE), and other pertinent laws, regulations, and executive orders. Our evaluation will also follow the guidelines published by the U. S. Environmental Protection Agency pursuant to Section 404(b)(1) of the CWA. The decision whether to issue a permit will be based on an evaluation of the probable impact, including cumulative impact, of the proposed activity on the public interest. That decision will reflect the national concerns 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 its cumulative effects. Among the factors addressed 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, considerations of property ownership, and, in general, the needs and welfare of the people.

The USACE 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 USACE in determining whether to issue, issue with modifications, or conditions, 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.

STATE WATER QUALITY CERTIFICATION: Railroad Commission of Texas (RRC) certification is required for activities associated with the exploration, development, or production of oil, gas, or geothermal resources, as described in Tex. Nat. Res. Ann. §91.101. Concurrent with the processing of this Department of the Army Permit application, the RRC is reviewing this application under Section 401 of the Clean Water Act and Title 16, Texas Administrative Code, Section 3.93, to determine if the proposed work would comply with applicable water quality laws and regulations. By virtue of an agreement between the U. S. Army Corps of Engineers (USACE) and the RRC, this public notice is issued for the purpose of advising all known interested persons that there is pending before the RRC a decision on water quality certification under the above authorities. Written comments concerning the request for certification may be submitted to the Assistant Director, Environmental Services, Railroad Commission of Texas, P. O. Box 12967, Austin, Texas 78711-2967. The public comment period extends 30 days from the date of publication of this notice. The RRC may also hold a public meeting on the request for certification if the RRC determines that a public meeting is in the public interest. If the RRC holds a meeting to receive public comment on a request for certification, the RRC will give notice of the meeting to the applicant, the USACE, and persons identified under 16 TAC §3.93(d)(2) at least ten days prior to the meeting.

ENDANGERED AND THREATENED SPECIES: The USACE has reviewed the U.S. Fish and Wildlife Service's latest published version of endangered and threatened species to determine if any may occur in the project area. No endangered or threatened species are listed by the USFWS as potentially occurring within Titus County, Texas. Our initial review indicates that the proposed work would have no effect on federally-listed endangered or threatened species.

NATIONAL REGISTER OF HISTORIC PLACES: The area of the proposed work has never been surveyed for the presence of historic or prehistoric sites. A check of the National Register of Historic Places indicates no properties listed, or eligible for listing present in the vicinity of the well pad and access road. Similar areas in Titus County are known to have important prehistoric sites present. Additional work to identify and assess currently unidentified sites may be required.

FLOODPLAIN MANAGEMENT: The USACE is sending a copy of this public notice to the local floodplain administrator. In accordance with 44 CFR part 60 (Flood Plain Management Regulations Criteria for Land Management and Use), the floodplain administrators of participating communities are required to review all proposed development to determine if a floodplain development permit is required and maintain records of such review.

SOLICITATION OF COMMENTS: The public notice is being distributed to all known interested persons in order to assist in developing fact upon which a decision by the USACE 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: 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 whether the issues raised are substantial and should be considered in his permit decision. 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 August 2, 2013, which is the close of the comment period. 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 be submitted to; Regulatory Branch, CESWF-PER-R; U. S. Army Corps of Engineers; Post Office Box 17300; Fort Worth, Texas 76102-0300. You may visit the Regulatory Branch in Room 3A37 of the Federal Building at 819 Taylor Street in Fort Worth between 8:00 A.M. and 3:30 P.M., Monday through Friday. Telephone inquiries should be directed to (817) 886-1731. Please note that names and addresses of those who submit comments in response to this public notice may be made publicly available.

DISTRICT ENGINEER FORT WORTH DISTRICT CORPS OF ENGINEERS















