



Seven County Infrastructure Coalition Conceptual Corridor Feasibility Summary

GENERAL INFORMATION

Corridor Name:	Duchesne to Carbon Oil Pipeline
Infrastructure Type:	Oil and Natural Gas Production and Delivery
Located in Counties:	Duchesne, Carbon

Describe the corridor location, background, and general setting:

The alignment starts at the south end of Myton, following Wells Draw Road and BLM Fence Road across private, BLM, and tribal lands. The route then follows Sowers Canyon Road across tribal and Forest Service land. The alignment then crosses Argyle Canyon and Emma Park across private and SITLA land, then turns east to Coal Creek. The routing then follows Coal Creek Road south through private and BLM land to Ridge Road in Wellington. This alignment is approximately 74 miles long. The route follows existing roads as much as possible.

The purpose is to improve the export of oil produced in the Uinta Basin from Duchesne County to rail loadout facilities in Carbon County.

At present, the Uinta Basin is isolated from the national rail network. The existing transportation infrastructure consists of two-lane rural highways connecting the basin to the national highway network, natural gas and crude oil pipelines, and a phosphate ore slurry pipeline. The principal truck route connecting the Uinta Basin to the rest of the country is US-40, a two-lane rural highway that provides access to Salt Lake City to the west and rural northwestern Colorado to the east. In addition, US-191, a rural two-lane highway, traverses the basin from north to south.

Crude oil from the Uinta Basin tends to contain a large amount of paraffin, which creates several challenges for producers in the area. Waxy oil must remain heated to flow, which restricts (but does not eliminate) its ability to be shipped via pipeline or rail. Hence, much of the crude oil produced in the Uinta is transported via trucks. However, because trucking is the most expensive form of oil transport, this limits the distance the oil can profitably travel to a refinery. It also affects the price of waxy crude oil. Most oil from the Uinta Basin is refined at the five refineries in the Salt Lake City area, but there



is not an alternative way for excess production to reach the market.

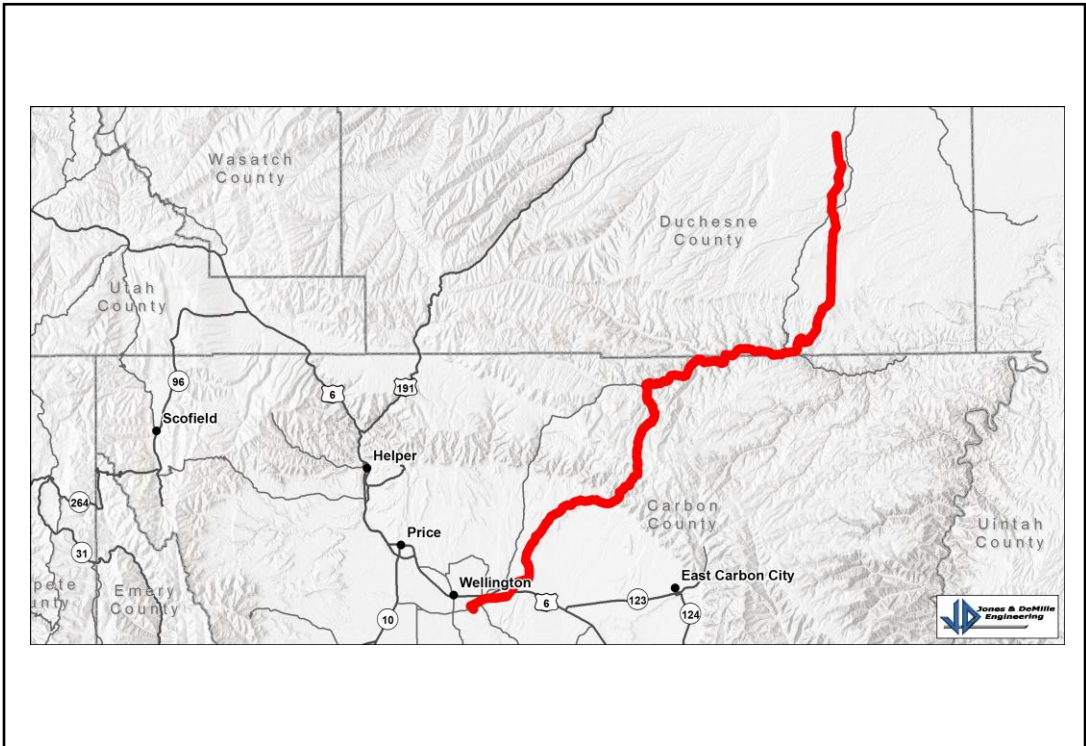
The Counties intend to reduce shipping costs for and expand the market reach of crude oil transported from the Uinta Basin by constructing a new pipeline that connects the Uinta Basin with the national common-carrier railroad network in Carbon County. This pipeline would provide (1) a less expensive, safer, and more reliable freight transportation alternative to trucks, (2) flexibility of routing, capacity, and ability to transport crude oil produced within the Uinta Basin by pipeline to trains that could take it to refineries on both the Pacific Coast and the Gulf Coast, (3) a decrease in truck traffic on narrow and somewhat-dangerous roads for Duchesne County and Salt Lake City area residents, (4) possible job opportunities for Duchesne and Carbon County Residents, and (5) a cash flow from fixed toll per barrel of oil transported via pipeline. Carbon and Duchesne Counties would receive 70% of profits while Uintah, Daggett, Emery, and San Juan would share 20% of profits. Indirect revenue would be realized through reduction in roadway maintenance costs due to less heavy truck traffic, and Uintah County would see a reduction in taxes (per Marc's summary).

Previous Studies:





Location:





Public Support Comments:

Goal 2: Increased Economic Opportunity



There is a wide range in the total probable costs, with a difference of \$263,100,000 between the minimum total probably cost and the maximum.

Total Probable Cost	Most Likely	\$328,800,000
	Minimum	\$230,200,000
	Maximum	\$493,300,000
Annual O&M Costs	Most Likely	\$3,060,000
	Minimum	\$2,140,000
	Maximum	\$4,590,000
Direct Revenue	Most Likely	\$18,300,000
	Minimum	\$2,300,000
	Maximum	\$82,100,000
Return on Investment (ROI)	Upper Bound	34.7%
	Upper 75%	17.03%
	Most Likely	4.6%
	Lower 75%	2.3%
	Lower Bound	-1.0%

Goal 3: Sustainable Implementation



Avoidance areas (No Surface Occupancy and sage-grouse habitat) cannot be avoided due to constraints of Nine Mile Canyon. Nevertheless, it is expected that significant impacts can be avoided or mitigated. The assumption is that an EA would suffice for BLM permitting, but an EIS could be required based on BLM leadership discretion.

Habitats for listed species (Mexican spotted owl, Sclerocactus species) are impacted by the alignment. Cultural resource densities are anticipated to be relatively high along large portions of the alignment.

This project is likely to pull significant truck volumes off US-191 and US-40. One portion of US-191 has a Safety Index of 7.5, which is among the worst 5% in the state. Decreasing the truck volume will improve roadway safety by decreasing the risk of collisions and oil spills, and reduce the rate of roadway deterioration. The reduction in truck volume will also decrease emissions, leading to an increase in air quality.

The components of sustainability have been ranked in reference to the following scale:

- 5 Significant Positive Effect
- 2 Moderate Positive Effect
- 1 Slight Positive Effect
- 0 No Significant Effect
- 1 Slight Adverse Effect
- 2 Moderate Adverse Effect
- 5 Significant Adverse Effect

Land Use Adherence:

1	Slight Positive Effect
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Cultural Resources:

-1	Slight Adverse Effect
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Land Procurement:

0	No Significant Effect
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Water:

0	No Significant Effect
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Education:

0	No Significant Effect
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Public Health and Safety:

2	Moderate Positive Effect
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Jobs and Economy:

2	Moderate Positive Effect
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Natural Lands:

0	No Significant Effect
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Energy:

0	No Significant Effect
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Outdoor Recreation:

0	No Significant Effect
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Transportation:

1	Slight Positive Effect
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Agriculture:

0	No Significant Effect
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