

# Original Filing

Public Utilities Commission of Nevada

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Filed For: Prospector Pipeline Company

In accordance with NRS Chapter 719,  
this filing has been electronically signed and filed  
by: /s Law Offices of Gary Duhon

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By electronically filing the document(s),  
the filer attests to the authenticity of the electronic signature(s) contained therein.

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This filing has been electronically filed and deemed to be signed by an authorized agent or  
representative of the signer(s) and  
Prospector Pipeline Company

*Law Offices of Gary Duhon, Ltd.*

Gary W. Duhon  
12895 Welcome Way  
Reno, Nevada 89511

Gary@Duhonlawltd.com  
(775) 250-7970

April 29, 2013

Alaina Burtenshaw, Esq., Chairman  
Rebecca Wagner, Commissioner  
David Noble, Commissioner  
Crystal Jackson, Executive Director  
Public Utilities Commission of Nevada  
1150 East William Street  
Carson City, Nevada 89701

**RE: Prospector Pipeline Company – Initial UEPA Application for a Permit to Construct the Eureka Pipeline**

Ladies and Gentlemen:

Pursuant to NRS 704.870, attached for your consideration is the initial Utility Environmental Protection Act Permit Application for the Eureka Pipeline by Prospector Pipeline Company.

A copy of this application will be submitted concurrently with this filing via FedEx to the Clerk of Eureka County, the Administrator, Division of Environmental Protection of the State Department of Conservation and Natural Resources, and the State Clearing House.

Respectfully submitted,

Law Offices of Gary Duhon, Ltd.



Gary W. Duhon

attachment



No consumer session is required.

If the draft notice pertains to a tariff filing, please include the tariff number AND the section number(s) or scheduled number(s) being revised.

Not applicable.

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(b) The changes proposed in the application will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that will exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less.

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

**IN THE MATTER OF:**

Initial Application of **PROSPECTOR** )  
**PIPELINE COMPANY**, for a Permit to )  
Construct the Eureka Pipeline Project pursuant )  
to the provisions of the Utility Environmental )  
Protection Act )

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Docket No. \_\_\_\_\_

**INITIAL**  
**APPLICATION FOR A PERMIT TO CONSTRUCT**  
**A PRIVATE NATURAL GAS PIPELINE FACILITY UNDER THE**  
**UTILITY ENVIRONMENTAL PROTECTION ACT**

**Eureka Pipeline Project**

**April 29, 2013**

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4. A general description of the facility, including the size and nature of the facility (NAC 703.421(2)(a); NRS 704.870 (2)(a)(1)).

5. The natural resources that will be used during the construction and operation of the facility (NAC 703.421 (2)(b)).

6. Summary of any studies which applicant anticipates will be made of the environmental impact of the facility, including a copy of all corresponding studies filed with appropriate federal agencies (NAC 703.421 (3); NRS 704.870 (2)(a)(2)).

7. A copy of the public notice of the initial application and proof of publication of the public notice (NAC 703.421(4); NRS 704.870 (4)(b)).

8. **Proof that a copy of the initial application has been submitted to the Nevada State Clearinghouse and has been served upon the clerk of each local government in the area in which any portion of the facility is to be located (NAC 703.421(5); NRS 704.870(4)(a)).**
  
9. **Filing of copy of initial UEPA Application with NDEP (NAC 704.870(3)).**

**E. CONCLUSION**

**F. EXHIBITS**

**Exhibit A** – Regional Map

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

**IN THE MATTER OF:**

Initial Application of <b>PROSPECTOR PIPELINE COMPANY</b> , for a Permit to Construct the Eureka Pipeline Project pursuant to the provisions of the Utility Environmental Protection Act	) ) ) ) )	Docket No. _____
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**INITIAL**  
**APPLICATION FOR A PERMIT TO CONSTRUCT**  
**A PRIVATE NATURAL GAS PIPELINE FACILITY UNDER THE**  
**UTILITY ENVIRONMENTAL PROTECTION ACT**

**Eureka Pipeline Project**

Applicant, PROSPECTOR PIPELINE COMPANY (“PPC”), by and through the undersigned, and in accordance with NRS 704.870(2)(a), hereby files with the Public Utilities Commission of Nevada (“Commission”) an Application (“UEPA Application”) for a Permit to Construct a private, 12 inch diameter natural gas pipeline facility, approximately 17 miles in length and located in Eureka County, Nevada, pursuant to Nevada’s Utility Environmental Protection Act (“UEPA”), set forth in NRS 704.820 to 704.900, and the Commission’s regulations thereunder, NAC 703.414 to 703.427. The proposed project is referred to as the Eureka Pipeline Project (EPP).

**A. BACKGROUND**

UEPA establishes a two-step application procedure for facilities subject to federal permitting and environmental review. Under NRS 704.870(2)(a), if a federal agency is required to conduct an environmental analysis of a proposed facility, the applicant is required to file an

initial application with the Commission that provides notice of the federal filing. The initial UEPA application must be filed with the Commission no later than the date on which an applicant files with a federal agency an application for approval for construction of the utility facility and must provide a general description of the proposed facility and a summary of any studies that the applicant anticipates will be made of the environmental impact of the facility as required by statute. Subsequently, under NRS 704.870(2)(b), not later than 30 days after NEPA any review completed by the BLM, the applicant is required to file with the Commission an amended UEPA application.

A portion of the Preferred Alignment for the EPP is located on federal lands administered by the U.S. Bureau of Land Management (“BLM”) and will require a right of way (“ROW”) over BLM lands, in connection with which an environmental analysis is required. Accordingly, this initial UEPA Application is filed under NRS 704.870(2)(a). The application with the BLM for the ROW (Standard Form 299 Application for Transportation and Utility Systems and Facilities on Public Lands) will be filed on or after the date of filing this initial UEPA Application.

The EPP will be a 12 inch diameter, underground natural gas pipeline to supply natural gas to Newmont’s Leeville Mine and Newmont’s Gold Quarry Mine. The pipeline will connect to the existing Barrick Goldstrike Meter Station and will terminate at the Newmont Gold Quarry Mine, while providing a lateral pipeline to the Newmont Leeville Mine. The total length of the pipeline will be approximately 17 miles, approximately 7 miles of which will be located on BLM lands and approximately 10 miles of which will be located on private lands owned by Newmont Mining Company and/or its affiliates (“Newmont”).

This initial UEPA Application is intended to meet the requirements set forth in NRS 704.870(2)(a) and NAC 703.421.

## **B. INFORMATION REGARDING THE APPLICANT**

PPC is an affiliate of Energy Operations Management, a privately owned company. PPC will own and operate the EPP. Nevada Energy Exchange, Inc. is also an affiliate of Energy Operations Management and will purchase natural gas and then sell the natural gas delivered through the EPP under natural gas sales agreements with Newmont.

All correspondence related to this UEPA Application (including copies of all pleadings, notices, orders and discovery requests), should be sent to the undersigned representatives whose names and addresses are set forth below:

### **Applicant:**

Prospector Pipeline Company  
 Brian Habersack, Vice President Operations  
 2981 Gold Canal Drive,  
 Rancho Cordova, CA 95670  
 (916) 859-4700  
 Email: [Bhabersack@gasbiz.com](mailto:Bhabersack@gasbiz.com)

### **Attorney for the Applicant:**

Law Offices of Gary Duhon, Ltd.  
 Gary W. Duhon  
 12895 Welcome Way  
 Reno, NV 89511  
 (775) 250-7970  
 Email: [Gary@duhonlawltd.com](mailto:Gary@duhonlawltd.com)

## **C. AUTHORITY**

This initial UEPA Application for PPC's Eureka Pipeline Project is filed pursuant to the Commission's regulations governing pleadings (NAC 703.530 *et seq.*); UEPA (NRS 704.820 to 704.900), specifically: NRS 704.870(2)(a) (filing of initial application when there is a federal agency involved); NRS 704.873 (Commission has exclusive jurisdiction to determine need for utility facilities); NRS 704.877(1) (duty to accept findings and conclusions of environmental review that already has been conducted); NRS 704.890 (grant or denial of application; required findings; conditions and modifications); and NAC 703.415 to .427 (the Commission's regulations governing construction of utility facilities), specifically: NAC 703.421 (initial

application for UEPA permit when a federal agency is required to conduct an environmental analysis relating to the construction of the proposed facility).

#### **D. INFORMATION REQUIRED BY STATUTE AND REGULATION**

Together with Exhibits A through F attached to this initial UEPA Application and incorporated herein, the following narrative provides the information required by NAC 703.421 and NRS 704.870, in the order specified. A draft notice of filing from the Commission also accompanies this amended UEPA Application.

**1. General description of the location of the proposed facility, including regional map (NAC 703.421(1)(a)).**

The proposed Eureka Pipeline Project will be located on federal BLM land and private land in Eureka County within a 30 foot wide permanent ROW along the Preferred Alignment which is located totally within existing Mine Plans of Operation of the Barrick Goldstrike Mine and Newmont's Gold Quarry and Leeville Mines. The Preferred Alignment for the pipeline generally extends south from the point of connection at the North Elko Pipeline Barrick Goldstrike Meter Station, to the Leeville mainline valve and lateral delivery point (see Section 4(i) below) to the Leeville Mine, and then continuing south to the Gold Quarry Mine. Please refer to attached Exhibit A-Regional Map; Exhibit B-Existing Facilities and Exhibit C- Preferred Alignment.

**2. Any alternative locations for the proposed facility (NAC 703.421(1)(b)).**

An alternative alignment following Nevada State Route 766 (commonly referred to as the Newmont-Barrick Road) was initially explored by PPC. Please refer to Exhibit D – Alternative Alignment. Further investigation of this alignment was dismissed due to proximity to the Newmont-Barrick Road, its crossing of Maggie Creek, the potential impact on existing riparian and protected species habitat, including endangered species habitat, the likelihood of impact on cultural resources, safety and constructability issues in very steep terrain.

**3. The reasons why the location identified is best suited for the facility (NAC 703.421(1)(c)).**

The Preferred Alignment is best suited for the EPP as it is located within the Plans of Operation for the Barrick Goldstrike Mine and Newmont's Leeville and Gold Quarry Mines on lands that have been previously investigated in accordance with BLM NEPA requirements for biological, cultural, wildlife and other resources, approved for mining and related activity and which appear based on initial alignment investigation to have been previously disturbed by such activity. As a result, the Preferred Alignment is expected to have less impact than other alignment alternatives on these and other resources. In addition, the topography of the Preferred Alignment is conducive to safe and cost-effective construction of the pipeline.

**4. A general description of the facility, including the size and nature of the facility (NAC 703.421(2)(a); NRS 704.870(2)(a)(1)).**

The EPP will be a 12 inch diameter, high pressure, underground natural gas pipeline approximately 17 miles in length. The pipeline will be welded steel and buried a minimum of 36 inches in depth from the top of the pipe to grade. To protect against external corrosion, the pipeline will be externally coated and equipped with cathodic protection equipment consisting of buried anodes, test stations, and one or more DC current rectifiers (to be sited at the facilities where a power source will be available). The pipeline will be identified with surface pipeline markers to identify its location post-construction. The EPP will connect at its north terminus to the existing Goldstrike Meter Station and will have up to three new above-ground facilities, including i) a mainline valve to serve as an operational isolation valve as well as a lateral connection to serve the Leeville Mine, ii) a meter station to be located at the southern terminus of the pipeline at the Newmont Gold Quarry Mine, which will be equipped with gas measurement, conditioning and regulation equipment, and iii) if determined necessary for operational purposes during design, a main line valve in a suitable location between the Leeville Mainline Valve (4(i) above) and the Gold Quarry Meter Station (4(ii) above). The above-ground facilities will be

secured with an 8 foot tall chain link fence. After completion, the EPP will be remotely monitored and operated by qualified operations personnel on a real-time, 24/7 basis utilizing SCADA (Supervisory Control And Data Acquisition) technology at the applicant's Rancho Cordova, California, Gas Control center.

**5. The natural resources that will be used during the construction and operation of the facility (NAC 703.421(2)(b)).**

During construction, non-potable water will be used for dust abatement and hydrostatic testing of the pipeline to check for leaks. Non-potable water will be obtained from Newmont, with appropriate permission. No other natural resources are expected to be used during construction and after completion of construction the operation of the pipeline is not anticipated to require the use of natural resources.

**6. Summary of any studies which applicant anticipates will be made of the environmental impact of the facility, including a copy of all corresponding studies filed with appropriate federal agencies (NAC 703.421(3): NRS 704.870(2)(a)(2)).**

Upon submission by PPC to the BLM of the Standard Form 299 Application for the ROW, the BLM will initiate the NEPA scoping and screening process. As an early step in the scoping and screening process, the BLM will determine the extent to which existing environmental studies adequately address and analyze the potential environmental impacts of the EPP, which determination is referred to as the Determination of NEPA Adequacy. As discussed above under D.1., the Preferred Alignment for the EPP is located within the Plans of Operation for the mining operations of Barrick and Newmont. In connection with these Plans of Operation, prior studies conducted by others and BLM NEPA analysis of the potential environmental impacts of Barrick's and Newmont's operations were completed. As a result, PPC anticipates the BLM will issue a Determination of NEPA Adequacy finding that some or all of the previous NEPA analyses of the potential environmental impacts of the EPP are satisfied by those environmental studies and NEPA analyses. The Determination of NEPA Adequacy will state if

additional environmental studies are necessary. All studies on which the BLM will rely and that which are completed for the EPP, will be submitted to the PUCN with the amended application.

**7. A copy of the public notice of the initial application and proof of publication of the public notice NAC 703.421(4); NRS 704.870(4)(b)).**

A copy of the public notice of this initial UEPA Application and the associated proof of publication in the Eureka Sentinel, a newspaper published and distributed in the area in which the EPP is proposed to be located, is contained in Exhibit E of this initial UEPA Application.

**8. Proof that a copy of the initial application has been submitted to the Nevada State Clearinghouse and has been served upon the clerk of each local government in the area in which any portion of the facility is to be located (NAC 703.421(5); NRS 704.870(4)(a)).**

Proof of the initial UEPA Application's submittal to the Nevada State Clearinghouse and a Certificate of Service to the Division of Environmental Protection and the Eureka County Clerk are contained in Exhibit F.

**9. Filing of copy of initial UEPA Application with NDEP (NAC 704.870(3)).**

A copy of this initial UEPA Application has been filed with the Administrator of the Nevada Division of Environmental Protection

## **E. CONCLUSION**

Based on the foregoing, PPC respectfully requests that the Commission:

1. Accept this initial UEPA Application as complying with NAC 703.421 and NRS 704.870(2)(a);
2. Grant such deviations from the Commission's regulations as may be in the public interest; and
3. Grant PPC such other and further relief as the Commission may find reasonable and appropriate under the circumstances.

Dated this 29th day of April, 2013

PROSPECTOR PIPELINE COMPANY

BY:



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Brian G. Habersack  
Vice President of Operations  
2981 Gold Canal Drive,  
Rancho Cordova, CA 95670  
(916) 859-4700

EXHIBIT A – REGIONAL MAP

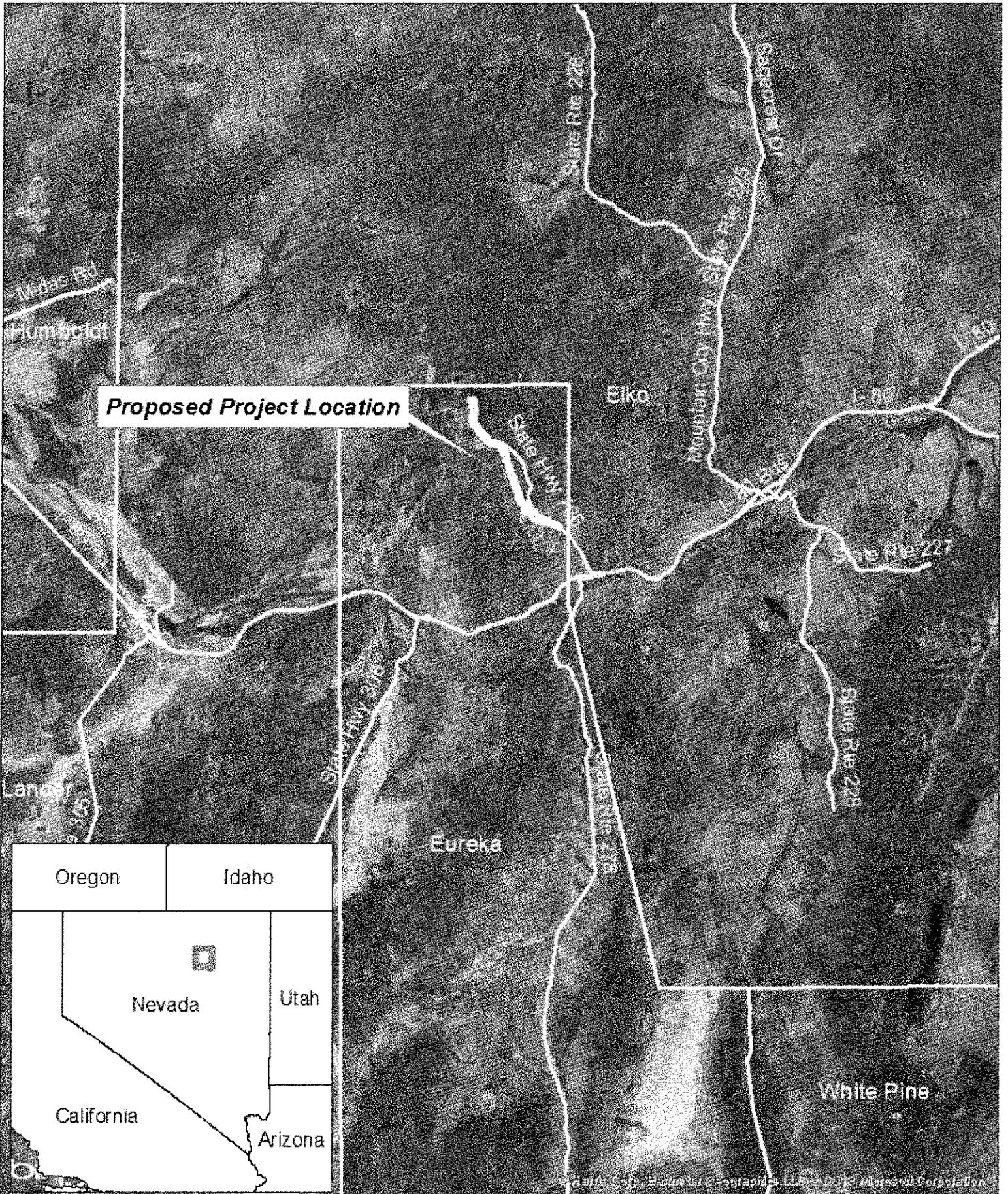
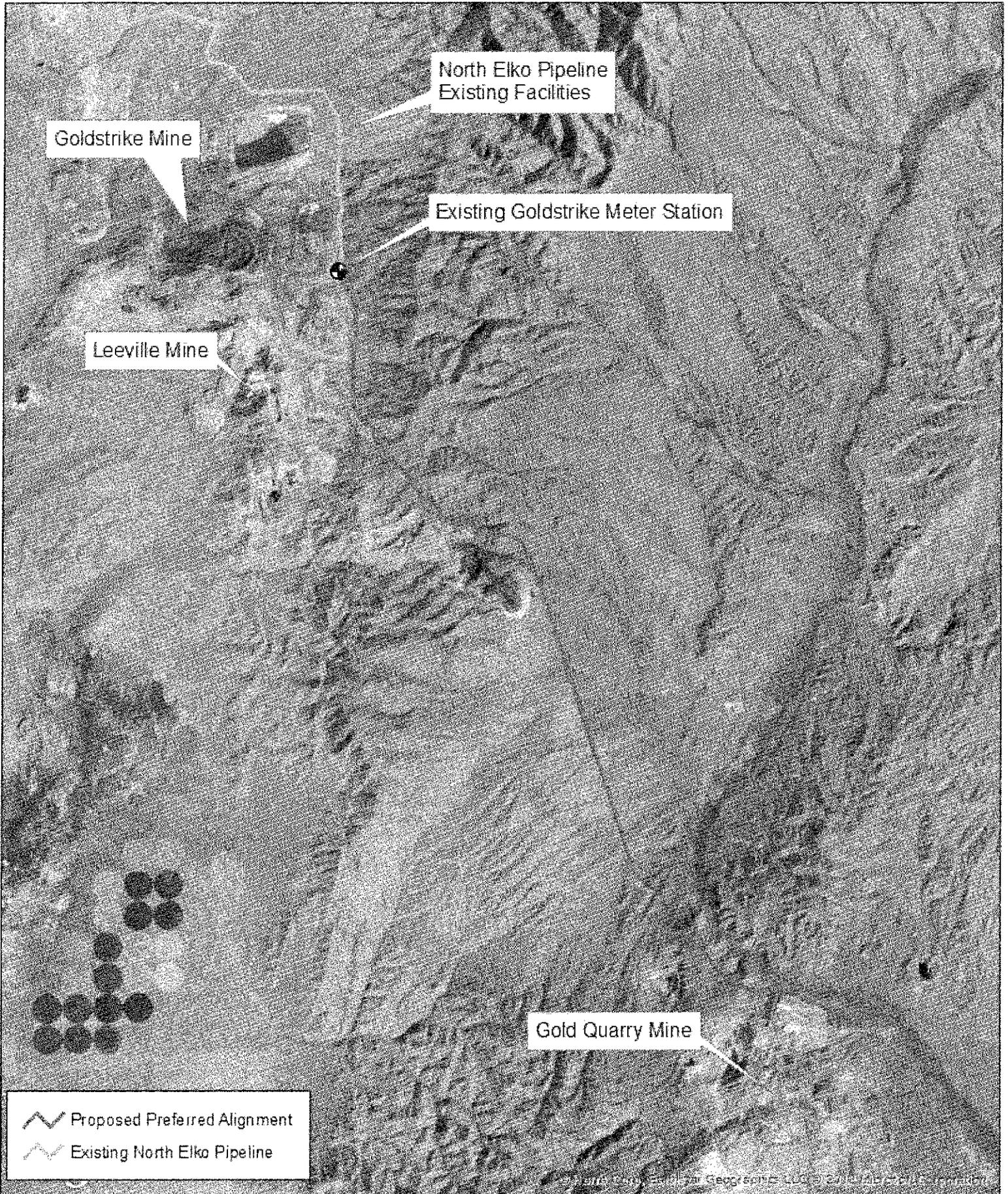


EXHIBIT A: REGIONAL MAP  
 PROPOSED EUREKA PIPELINE PROJECT  
 APRIL, 2013



EXHIBIT B – EXISTING FACILITIES



**EXHIBIT B: EXISTING FACILITIES  
 PROPOSED EUREKA PIPELINE PROJECT  
 APRIL, 2013**

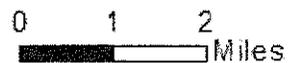
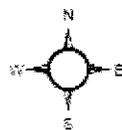
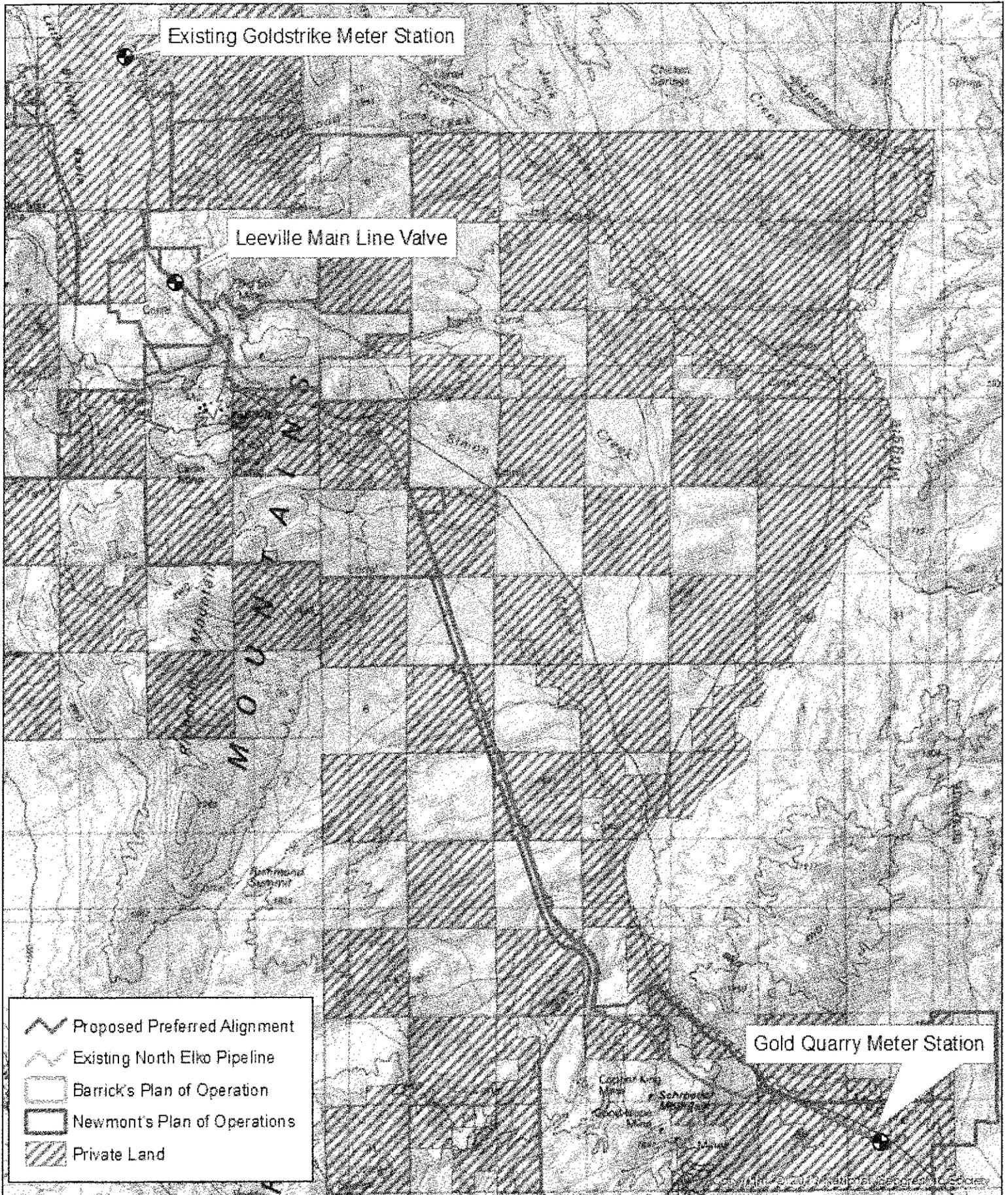


EXHIBIT C – EUREKA PIPELINE PREFERRED ALIGNMENT



**EXHIBIT C: PREFERRED ALIGNMENT  
 PROPOSED EUREKA PIPELINE PROJECT  
 APRIL, 2013**

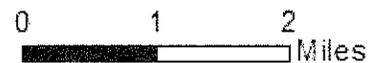
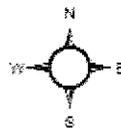
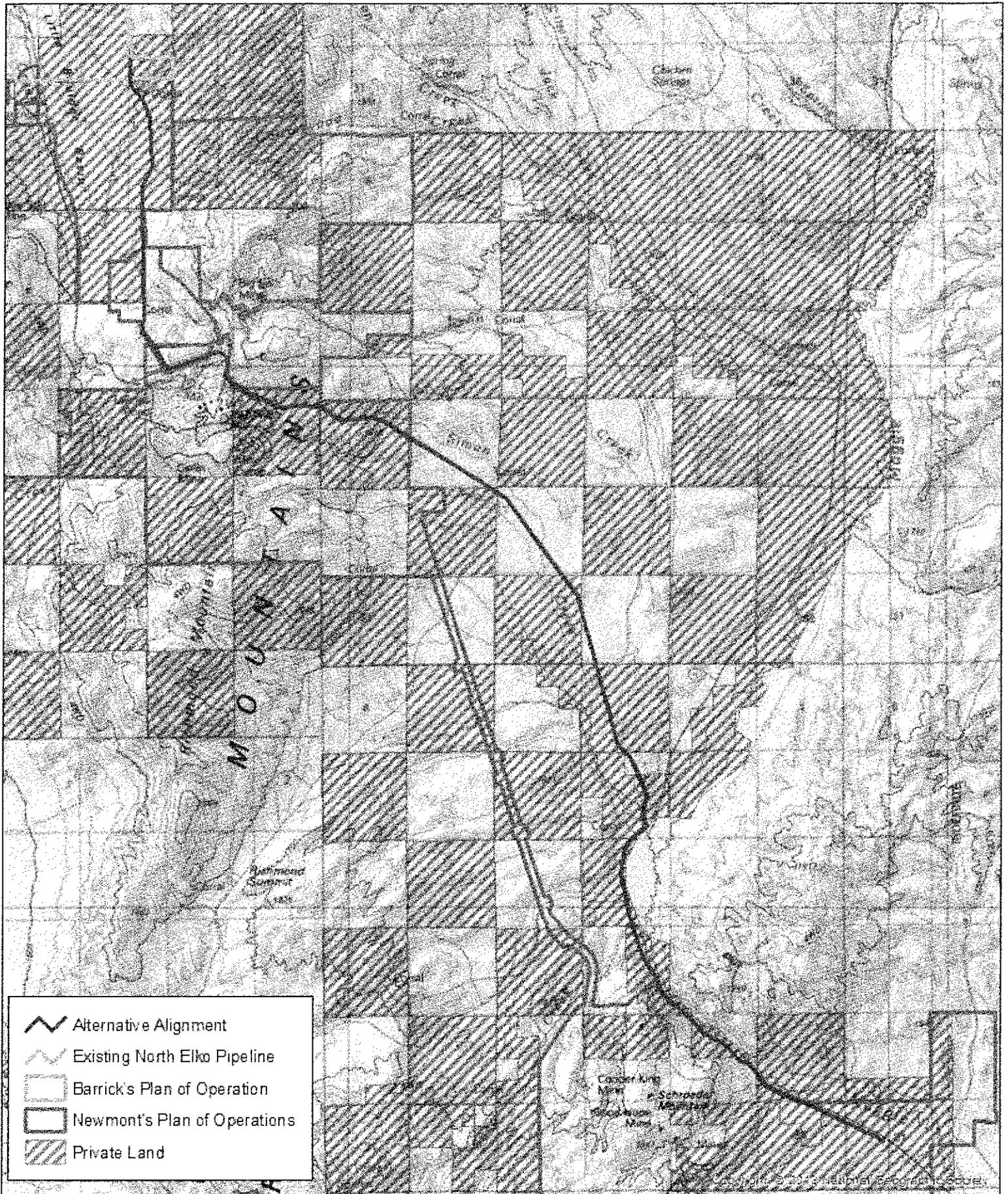
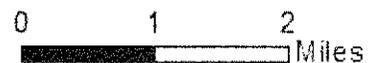
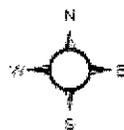


EXHIBIT D – ALTERNATIVE ALIGNMENT



**EXHIBIT D: ALTERNATIVE ALIGNMENT  
 PROPOSED EUREKA PIPELINE PROJECT  
 APRIL, 2013**



**4.29.2013**

**EXHIBIT E - NOTICE OF INITIAL APPLICATION AND PROOF OF SERVICE**

## CERTIFICATE OF SERVICE

I am a resident of the State of Nevada, over the age of eighteen years, and not a party to the within applications. My business address is Wood Rodgers, Inc. 5440 Reno Corporate Drive, Reno, NV 89511. On April 29, 2013, pursuant to NAC 703.421(4), I served the

### UTILITY ENVIRONMENTAL PROTECTION ACT PERMIT APPLICATION

- BY OVERNIGHT MAIL: (Federal Express) by causing document(s) to be picked up by an overnight delivery service company for delivery to the addressee(s) on the next business day.

Eureka County Clerk & Treasurer  
Bev Conley  
10 S. Main Street  
Eureka, NV 89316  
(775) 237-5262

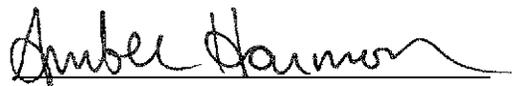
Nevada Dept. of Environmental Protection  
Colleen Cripps, Ph.D.  
Dept. of Conservation & Natural Resources  
901 S. Stewart Street, Suite 4001  
Carson City, NV 89701  
(775) 687-4670

State Clearing House  
Skip Canfield  
Division of State Lands  
901 South Stewart Street, Suite 5003  
Carson City, NV 89701  
(775) 684-2723

I declare that I am employed in the office of Wood Rodgers at whose direction the service was made.

I declare under the penalty of perjury under the laws of the State of Nevada that the above is true and correct.

Executed on April 29, 2013, at Reno, Nevada

  
Amber Harmon

**4.29.2013**

**EXHIBIT F– PROOF OF APPLICATION SUBMITTAL TO  
THE NEVADA STATE CLEARINGHOUSE  
ADMINISTRATOR, NDEP  
AND CERTIFICATE OF SERVICE**

# EUREKA SENTINEL

Box 150820, Ely, Nevada 89315  
(775) 289-4491

# INVOICE Affidavit of Publication

Acct. No. \_\_\_\_\_

STATE OF NEVADA )  
COUNTY OF EUREKA ) ss.

Linda Cottrell being first duly  
sworn, deposes and says:

That she/he is a legal clerk of the THE EUREKA  
SENTINEL, a newspaper published in the State of  
Nevada, general circulation in Eureka County, of which  
a copy is hereto attached, was published in said  
newspaper for the full required period of

1 ISSUE

commencing on Apr 25, 2013

and ending on \_\_\_\_\_  
both days inclusive.

Signed Linda Cottrell

Subscribed and sworn to before me this 29<sup>th</sup>  
day of April, 2013

Julie Heggie  
Notary Public



STATEMENT:

Date	Amt.	Cr.	Bal.
4-29-13	49.00		AP/IC

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA,  
NOTICE OF INITIAL APPLICATION**

Prospector Pipeline Company ("Prospector") intends to submit with the Public Utilities Commission of Nevada ("Commission") an initial Application for a permit to construct approximately 17 miles of new underground natural gas pipeline and associated facilities to be located in Eureka County, Nevada under the provisions of the Utility Environmental Protection Act ("UEPA") (NRS 704.820-900; NAC 703.415-427).

**NOTICE OF INITIAL APPLICATION FOR UTILITY ENVIRONMENTAL PROTECTION ACT PERMIT TO CONSTRUCT NATURAL GAS PIPELINE IN EUREKA COUNTY.**

Notice is hereby given to persons residing in the municipalities in which any portion of the pipeline is to be located. Prospector proposes to construct a privately owned and operated approximately 17-mile natural gas pipeline on a combination of public and private lands located approximately 27 miles west of the City of Elko, in the vicinity of T35-36N, R50E; T34-35N, R51E; T34N, R52E M.D.B.&M. in Eureka County. The UEPA application will be filed under and governed by the provisions of the UEPA. Prospector is currently pursuing a right of way grant from the Bureau of Land Management ("BLM"), and an amended application will be filed with the Commission following completion of any environmental analysis by the BLM. Protests and written comments about the granting of the UEPA application must be filed with the Commission as provided by law. Dated this 25th day of April, 2013.

Publisher: The Eureka Sentinel, Apr. 25, 2013.