

95

PROJECT WAGON WHEEL TODAY

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The purpose of this introduction to the attached explanation of Project Wagon Wheel is to bring up to date the information it contains. More than seven months have passed since the attached explanation was prepared; during this time, project studies have continued, and other developments have occurred. Below are given the current information and the page to which it has reference.

Page 16 (middle) -- Draft Environmental Statement. At the end of April, 1972 and after the attached explanation of the project was printed, the Atomic Energy Commission issued an Environmental Statement for the project. The April statement reflected the results of additional work by the AEC and its contractors and took into account the comments received from numerous federal and state government agencies, independent organizations and individuals following publication of a Draft Statement in January of 1972. AEC has stated that the April Environmental Statement was issued at that time for legislative purposes in relation to the AEC budget and that a supplement to or revision of the Environmental Statement will be necessary at some later time since considerable additional information will be available before conduct of the Wagon Wheel project is scheduled.

Page 19 (top) -- About Field Development. We have found that our attempts to answer questions about field development by speculating upon possible future actions by El Paso and other companies have led some people to believe that a positive plan exists for development of the gas reservoirs underlying the Green River Basin.

The Company considers that the continuing studies being carried out under the name of Project Wagon Wheel are essential to determining whether Project Wagon Wheel would be in the best interests of the people of Sublette County, Wyoming and the nation. El Paso has made no decision whether to conduct Project Wagon Wheel. If conducted, the project will provide information essential to determination whether nuclear stimulation can provide a practical and desirable means of increasing the nation's supply of clean-burning natural gas. However, many other factors, not directly related to Project Wagon Wheel, will bear on whether, where, how fast and by whom nuclear explosives are actually used for commercial-scale gas field development. Any discussion -- by anyone -- of field development employing nuclear stimulation is pure speculation, pure guesswork.

There is no "master plan" for conduct of such development.

In a letter dated September 18, 1972 to Senator Gale McGee of Wyoming, the Deputy General Manager of the U.S. Atomic Energy Commission, John A. Erlewine, said, "It should be emphasized that the Wagon Wheel Project is still in the design stage and has not been authorized by the Commission for execution. Furthermore,

completion of this experiment would in no way commit AEC to or provide any assurance of further nuclear stimulation in the Pinedale Unit, since any further action would have to run the full gauntlet of Executive Branch and Congressional authorization, public hearings, and compliance with all environmental requirements including favorable comparison with alternate resource development options."

Page 20 (bottom) -- What Comes Next. To understand the current status of the Wagon Wheel project, it is important to understand that none of the steps named in this section have yet taken place. The investigations and evaluations begun in 1971 are continuing. In addition, during the summer of 1972, a detailed examination of all irrigation facilities which could conceivably be affected by the Wagon Wheel detonations was carried out and a bioenvironmental study of the Wagon Wheel area, expanding upon previous such studies, was begun.

The irrigation facilities. This study was conducted by engineers from El Paso Natural Gas Company and two major consulting firms. The consulting firms are Dames and Moore, a company nationally recognized for competence in applied earth sciences, and Degenkolb and Associates, a firm of experts in earthquake motion effects. The work was performed in coordination with the Soil Conservation Service and the U.S. Forest Service.

The group inspected -- with certain exceptions -- all dams within 30 miles of the project location and all canals, control gates, drop chutes and siphons within 15 miles of the Wagon Wheel location. The exceptions: facilities located on three ranches where the operators denied access.

Also examined were several lakes, a number of highway culverts and several slide areas on the Hoback, Snake and Gros Ventre river canyons.

The bioenvironmental studies. A team of independent experts from Colorado State University and the University of Wyoming, is expanding the bioenvironmental studies already carried out. Included are specialists in radiation ecology and terrestrial wildlife, aquatic biology, health physics, livestock and agriculture, and range management.

The team members are seeking cooperation to the greatest extent practicable with people who are experts on agriculture, wildlife and aquatic life in the vicinity of the Wagon Wheel location.

Their studies will be closely coordinated with the background radioactivity studies being conducted by Eberline Instrument Company. They will also work closely with El Paso and Dames and Moore experts on evaluation of ground motion effects. In addition to their other studies, they will evaluate any possible effect of ground motion upon fish eggs and determine whether, in the unlikely event that soil should slide into the water, there would be any effect upon fish eggs or fish food supply.

The U.S. Atomic Energy Commission, which through its contractors is working on development of sequential detonation capability, expects to perform at least one field experiment for that purpose in the spring or summer of 1973 at its Nevada Test Site, where hundreds of underground nuclear detonations have already taken place. A second nuclear experiment at the Nevada Test Site will probably follow about a year later.

Page 21 -- The Timetable. We have been informed by the U.S. Atomic Energy Commission that development of sequential detonation capability will probably not be completed until some time during 1974, at the earliest. Since the current concept for the Wagon Wheel detonations is based upon sequential detonation, the development of that technology, plus other actions that must occur before detonations could take place, make it now appear that the Wagon Wheel detonations could not take place before 1975.

The actual detonation of the explosives will require specific action by the Atomic Energy Commissioners themselves and by the Executive Branch of the federal government. Before such approvals would be given, other requirements must be satisfied, in addition to those mentioned above and those listed in the section titled What Comes Next? (see page 20). Among these other requirements are: completion and full review of the design for the project, including all anticipated environmental effects and health and safety implications; evaluation of the effects of Project Rio Blanco if that project is executed; holding of public hearings in the Pinedale area; consideration by AEC of all comments received from federal and state agencies and the public; obtaining the Congressional appropriations for necessary government action; and approval by AEC of a contractual arrangement with El Paso Natural Gas Company for conduct of the project. Also necessary will be a supplement to or revision of the Environmental Statement in view of the considerable additional information that will be available before the detonations are scheduled.

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