



Strategic Petroleum Reserve's New Richton Mississippi Site

The U.S. Department of Energy plans to design and construct a new underground petroleum storage facility for the nation's Strategic Petroleum Reserve (SPR) at the Richton salt dome in Perry County, MS, in an environmentally friendly, transparent and responsible manner.

Project Need:

- The Department of Energy has constructed 4 SPR sites with a capacity of 700 million barrels to address the nation's need for Energy Security.
- Due to increasing U.S. petroleum consumption and import dependence, the Nation's strategic petroleum stockpile of 700 million barrels provides less than 60 days of import protection.
- An expansion of the Reserve to 1.0 billion barrels is essential to address the growing U.S. demand, increasing imports and greater international risks.
- SPR stocks are critically needed in the Capline region to address the import vulnerabilities of the Capline Pipeline System and the Pascagoula refining markets.
- In a Record of Decision (Federal Register 72 [22 February 2007]: 7964-7972), the Department of Energy selected the Richton, MS salt dome for the development of a new Strategic Petroleum Reserve storage facility.

Proposed Facilities:

- An SPR crude oil storage facility with a capacity of 160 million barrels at the Richton salt dome in Perry County, MS. All petroleum will be stored in safe and secure underground storage caverns solution-mined in the salt formation over 2000 feet below the surface.
- A water intake structure on Leaf River (or Pascagoula River) to provide water for cavern development (solution-mining) and oil displacement in the event of a drawdown.
- An oil terminal at Liberty, MS for distribution into the Capline Pipeline System and a marine terminal in Pascagoula, MS for oil receipt and distribution.
- Approx 330 miles of pipelines for water supplies, brine disposal to the Gulf, and oil distribution.

Capital Expenditures and Jobs:

- The project is estimated to cost approximately \$4 billion.
- The construction will create a significant number of high paying jobs at Davis-Bacon wage rates in Perry, George, Jackson and Amite Counties of Mississippi.
- The site construction will take 4-5 years creating an estimated 500 jobs at peak and generating over \$825 million in wages.
- In-migrating workers will spend approximately \$4.5 million per year on food and lodging during peak.
- The site will create 100 permanent jobs, with annual wages of approximately \$5 million. The terminals at Liberty and Pascagoula will also create an additional 10 to 20 permanent jobs for operations and security.

Environmental Considerations:

- The Department is committed to minimizing the environmental impacts of this project.
- The structure for the withdrawal of water from the Leaf (or Pascagoula) River will be designed and operated to minimize impacts to threatened and endangered species (i.e. Gulf sturgeon, yellow blotched map turtle, and the Pearl darter).
- Brine disposal into the Gulf of Mexico will be diffused far offshore in a manner which avoids impacts to the National Seashore and the aquatic species living the gulf.
- All SPR operations will be conducted in compliance with the permits established by the regulatory/permitting agencies (including US Fish & Wildlife Service and the Mississippi DEQ).