

**STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
STATE PIPELINE COORDINATOR'S OFFICE**

**ANALYSIS OF AMENDMENT APPLICATION  
AND  
PROPOSED DECISION**

**TRANS-ALASKA PIPELINE RIGHT-OF-WAY LEASE AMENDMENT – ADL 63574  
POINT SOURCE HEAT PROJECT – NEAR REMOTE GATE VALVE 65, PLMP 397.5**

**Proposed Action:** On May 8, 2015, Alyeska Pipeline Service Company (APSC), agent for the Trans-Alaska Pipeline System (TAPS) lessees, requested an amendment to modify the Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, to add approximately 2.14 acres of State land adjacent to Remote Gate Valve (RGV) 65 near pipeline milepost (PLMP) 397.5.

The lands proposed to be added to the right-of-way is generally described as:

SW4NE4 Section 31, Township 8 North, Range 5 West, Fairbanks Meridian, that portion immediately adjacent to the TAPS Right-of-Way, containing approximately 2.14 acres.

The purpose of the request is to expand the existing pipeline/valve workpad for the installation of a crude oil heater unit, fuel tanks and a fuel truck off-loading area, all while maintaining a safe operating distance from the operating above-ground pipeline, valve and Ormat power module. This additional land will be necessary to support the existing pipeline system as defined in AS 38.35.230(7) and authorized by the Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574. See drawings for more details (Attachments A and B).

**Authority:** AS 38.35.015 and Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574.

**Administrative Record:** Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, and the associated Right-of-Way Lease Amendment case file.

**Background:** Notice of the Right-of-Way Amendment Application was published in the Alaska Dispatch News, Fairbanks Daily News-Miner, and on the State of Alaska and State Pipeline Coordinator's (SPCO) websites on June 9, 2015. Notice of the Right-of-Way Amendment Application was sent for posting in the Prudhoe Bay, Coldfoot and Fairbanks post offices.

Per AS 38.35.070, the following coordinate agencies were notified of the application: Alaska Department of Environmental Conservation, Department of Labor and Workforce Development, Department of Transportation and Public Facilities, and the Regulatory Commission of Alaska.

On June 10, 2015, the State Historic Preservation Office determined that no historic properties were affected by this proposed action and provided confirmation of its determination to the SPCO.

**Title:** The State of Alaska received title to the lands within in Section 31, Township 8 North, Range 5 West, Fairbanks Meridian by Tentative Approval from the Bureau of Land Management on March 25, 1985 under general selection (GS) 3501.

**Planning and Classification:** The lands encompassed by this application are included in the Tanana Basin Area Plan (TBAP), Lower Tanana Subregion 2, Management Unit 2J2. The lands are classified as Wildlife Habitat Land (WHB) under classification NC-90-002. The classification of WHB is defined by 11 AAC 55.230 as land primarily valuable for fish and wildlife resource production, to supply sufficient numbers or a diversity of species to support commercial, recreational, or traditional uses on an optimum sustained use basis, or for a unique or rare assemblage of a single or multiple species of regional, state, or national significance.

A land classification establishes the apparent best use of an area, however, all other uses are presumed as compatible unless otherwise prohibited. The management intent for this unit is lands be retained in public ownership, managed for wildlife habitat and future agricultural development opportunities. Prohibited uses in the subunit include land disposals and remote cabins. Development in the subunit should minimize impacts on wildlife resources and the visual impact on recreation resources. A right-of-way lease is not a land disposal, so is not a prohibited action. The TBAP requires that when resource development projects occur, they should avoid or minimize reduction in the quality and quantity of fish and wildlife habitat. This project will not impact streams or water bodies, and will have limited impact on wildlife habitat.

NC-90-002 does not prohibit the proposed use for the lands in the subject area. The Trans-Alaska Pipeline pre-dates the land classification made under NC-90-002. Additionally, per 11 AAC 55.260, no classification or reclassification affects valid rights existing before the classification or reclassification.

These lands are closed to mineral entry by Mineral Closing Order (MCO) 1147 dated August 1, 2014, for lands 300 feet on each side of the TAPS centerline.

**Public Notice:** Notice of this Analysis and Proposed Decision will be published in the Alaska Dispatch and Fairbanks Daily News-Miner on July 22, 2015. It will also be sent for posting in the Prudhoe Bay, Coldfoot and Fairbanks Post Offices and posted on the State of Alaska and SPCO On-Line Public Notice web pages.

If public comment indicates the need for significant changes in the proposed decision, additional public notice will be given on or after August 24, 2015. If no significant change is required, the proposed decision, including any minor changes, will be issued as the final decision of the Department of Natural Resources after August 21, 2015, without further notice.

**Analysis:** AS 38.35, the Alaska Right-of-Way Leasing Act, sets forth the procedures by which certain right-of-way leases are granted by the State of Alaska and the conditions under which they can be amended. As set out in AS 38.35.010, it is the policy of the state that development,

use, and control of a pipeline transportation system make the maximum contribution to the development of the human resources of this state, increase the standard of living for all its residents, advance existing and potential sectors of its economy, strengthen free competition in its private enterprise system, and carefully protect its incomparable natural environment. Pursuant to AS 38.35.015, the Commissioner has the power to grant leases of state land for pipeline right-of-way purposes. The Commissioner found it to be in the best interest of the residents of the State of Alaska to issue the Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, on May 3, 1974, and the Renewal and Amendment of Right-of-Way Lease for the Trans-Alaska Pipeline and Associated Rights, ADL 63574 (effective on May 2, 2004). The terms, conditions, stipulations and reservations contained in the Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, will apply to these lands if added to the lease.

AS 38.35.020(a) requires the applicant obtain a right-of-way lease of state land from the Commissioner. Although the request for authorization to extend the right-of-way at RGV 65--located at PLMP 397.44, approximately 0.7 west of Dalton Highway milepost 0 and along Manley Hot Springs Road--is consistent with the original purpose of the lease, the proposed amendment requires a disposal of an interest in state land beyond what was included during the original adjudication. An amendment to the lease is required when there is a need for a disposal of an interest in state land or resources beyond what was reviewed and approved during the original adjudication.

The requested proposal to modify the existing Right-of-Way is needed to accommodate new infrastructure and a fuel truck off-loading area. The new infrastructure includes a heater module, which will mitigate the continued decrease in crude oil temperatures, and three fuel storage tanks. Additional land for a fuel truck off-loading area is necessary for this activity to maintain a safe operating distance from the existing mainline pipe. The Right-of-Way expansion and upgrades at RGV 65 are defined by Stipulation 1.1.1.36 (4) of the Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, as a Related Facility, "the substantially continuous use of which is necessary for the operation or maintenance of the Oil transportation pipeline."

**Findings:** The installation of a new heater module, three fuel storage tanks and a fuel truck off-loading area at RGV 65, near PLMP 397.5 are integral to maintaining the flow of oil by providing additional heat to increase the crude oil temperatures. The expanded pad would allow the new infrastructure to be installed at a safe operating distance from the above ground mainline pipe.

The expansion of the TAPS Right-of-Way is administratively provided for in the lease. The proposed project is a "Related Facility" as defined by the lease and will be managed under the lease. The proposal to add the above-described lands to the Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, is consistent with the lease.

The terms, conditions and stipulations contained in Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, adequately address and protect the interest of the State of Alaska. The lessee is

required to secure all necessary permits or authorizations required by other state and federal agencies.

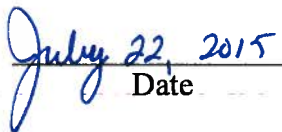
The Right-of-Way Amendment will require an as-built survey that ties the new lands and structures needed for the Point Source Heat Project to the pipeline centerline for review and acceptance by the Commissioner pursuant to Section 1(e) of the Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, as amended.

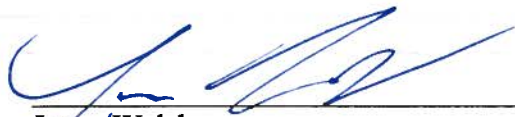
The addition of these lands to the lease does not constitute a significant amendment to the lease since the impact on State resources will be negligible and the project does not conflict with or significantly change existing use of the land. The installation of the crude oil heater unit, fuel tanks and construction of a fuel truck off-loading area will minimize environmental impacts by involving a fairly small footprint, and by restoring disturbed areas after construction. This construction project is considered protective of a vital state resource. Approval of the request for the amendment for addition of the described lands is a function of the lease, and is consistent with state statutes and terms of the lease.

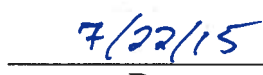
**Proposed Decision:** I find that the application to amend the Trans-Alaska Pipeline Right-of-Way Lease, ADL 63574, to include the lands described in this proposed decision is in the best interest of the State and does not constitute a significant amendment to the lease.

If no significant change is required as a result of public comment or objection, then the proposed decision, including any minor changes, will be issued as the final decision of the Department of Natural Resources after August 21, 2015, without further notice.

  
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Jodi Delgado-Plikat  
Natural Resource Specialist III

  
\_\_\_\_\_  
July 22, 2015  
Date

  
\_\_\_\_\_  
Jason Walsh  
State Pipeline Coordinator

  
\_\_\_\_\_  
7/22/15  
Date

Attachment A: Trans-Alaska Pipeline System, G001 – Point Source Pipeline Heat MP 397.46 Work Pad Expansion, Sheet 1, dated 04/28/15 (1 page)

Attachment B: Trans-Alaska Pipeline System, G001 – Point Source Pipeline Heat MP 397.46 Work Pad Expansion, dated 05/06/15 (1 page)

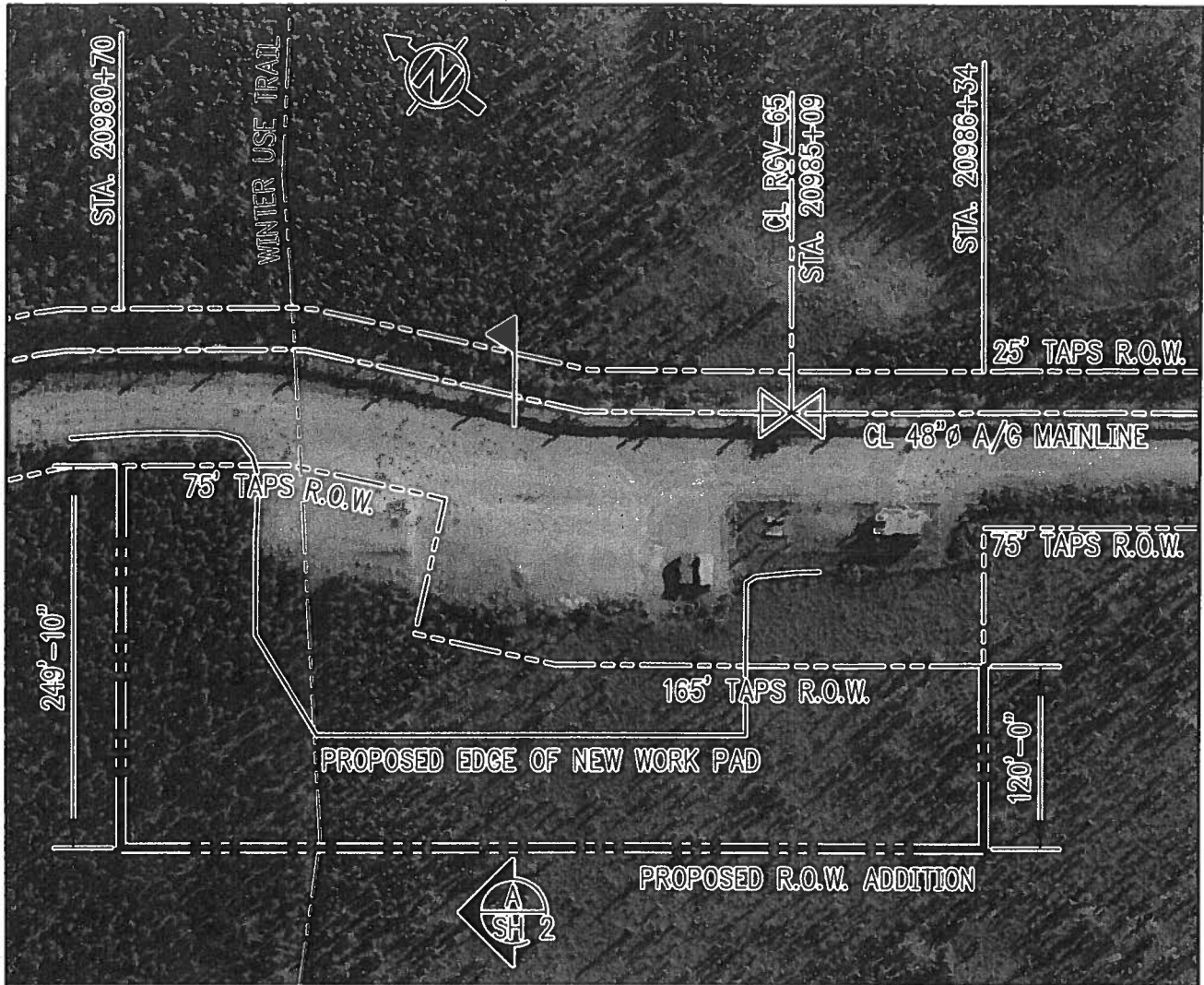
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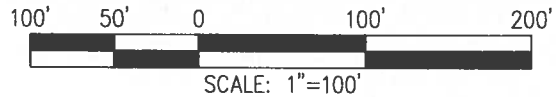
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G100 ALIGNMENT SHEET 71  
 LAND OWNER: ALASKA  
 MERIDIAN: FAIRBANKS, T8N R5W, SECTION 31  
 LATITUDE: 65° 28' 40" LONGITUDE: -148° 39' 07"  
 PROPOSED NEW R.O.W. : 2.14 ACRES  
 NEW WORK PAD : 0.68 ACRES +/-  
 ESTIMATED-FILL : 3600 CUBIC YARDS 3" MINUS  
 600 CUBIC YARDS 3/4" MINUS



FOR PERMITTING  
 PURPOSES ONLY

PLAN

SCALE: 1"=100'

FILE DATE: 05-08-15

PLOT SCALE: 1:1

FILENAME: PER39746\_R2

G001 - POINT SOURCE PIPELINE HEAT MP 397.46 WORK PAD EXPANSION				ALYESKA PIPELINE SERVICE CO.		
				TRANS ALASKA PIPELINE SYSTEM		
REV.	2	DWN. MMO	CKD. PWK	APPR. PWK	DATE: 04-28-15	A-00-PER39746
				SCALE: 1"=100'	SHEET 1 OF -	

AUTOCAD DWG. DO NOT REVISE MANUALLY.

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25' TAPS R.O.W.

TOE OF EXISTING WORK PAD

CL 48"Ø A/G MAINLINE



FUEL OFF-LOADING AREA

EXISTING WORK PAD

A  
SH 1

SECTION  
SCALE: 1"=30'

TOE OF EXISTING WORK PAD

FUEL TANK, (TYP 3)

165' TAPS R.O.W.

HEATER MODULE

EXISTING GRADE

CONTAINMENT BERM

FOR PERMITTING PURPOSES ONLY

TOE OF NEW WORK PAD

PROPOSED TAPS R.O.W.

ALYESKA PIPELINE SERVICE CO.

G001 - POINT SOURCE PIPELINE HEAT  
MP 397.46  
WORK PAD EXPANSION

TRANS ALASKA PIPELINE SYSTEM

DATE: 05-06-15

A-00-PER39746

REV.	1	DWN. MMO	CKD. PWK	APPR. PWK
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SCALE: 1"=30'

SHEET 2 OF -

FILE DATE: 05-08-15

PLOT SCALE: 1:1

FILENAME: A-00-PER39746\_R1

AUTOCAD DWG. DO NOT REVISE MANUALLY.

STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
STATE PIPELINE COORDINATOR'S OFFICE

NOTICE OF ANALYSIS AND PROPOSED DECISION  
TRANS-ALASKA PIPELINE RIGHT-OF-WAY LEASE AMENDMENT, ADL 63574  
POINT SOURCE HEAT PROJECT – REMOTE GATE VALVE 65

The Commissioner of the Department of Natural Resources received an application from Alyeska Pipeline Service Company, agent for the Trans-Alaska Pipeline System (TAPS) lessees, to amend the TAPS Right-of-Way Lease. The proposed amendment would add approximately 2.14 acres of land adjacent to Remote Gate Valve 65 near pipeline milepost 397.5.

The lands are generally described as: SW4NE4 Section 31, Township 8 North, Range 5 West, Fairbanks Meridian, that portion immediately adjacent to the TAPS Right-of-Way, containing approximately 2.14 acres.

In accordance with Alaska Statute 38.35.080, the Commissioner has prepared an analysis of the application and a proposed decision. The public is invited to comment on the Analysis and Proposed Decision. All comments must be submitted in writing to the State Pipeline Coordinator's Office (SPCO) before 5:00 p.m. on August 21, 2015.

If public comment indicates the need for significant changes in the proposed decision, then additional public notice will be given on or after August 24, 2015. If no significant changes are required, then the proposed decision, including any minor changes, will be issued without further notice as the final decision of the Department of Natural Resources after August 21, 2015.

The public may obtain printed copies of these documents, at cost, from the SPCO. The documents are also available at the SPCO website: <http://dnr.alaska.gov/commis/pc>

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The State of Alaska, Department of Natural Resources, State Pipeline Coordinator's Office, complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, or special modifications to participate in this review may call 269-8411 TTY/TTD. Please provide sufficient notice in order for the department to accommodate your needs.

The State Pipeline Coordinator's Office reserves the right to waive technical defects in this publication. Please contact the SPCO for more information.

Jason Walsh  
State Pipeline Coordinator  
Department of Natural Resources

Publish: July 22, 2015