

Audi of America, Inc.



Audi

Audi of America, Inc.
2200 Ferdinand Porsche Dr.
Herndon, VA 20171
+1 703 364 7000
www.audiusa.com

Dear Mr. Willison,

Volkswagen Group of America, Inc. / Audi of America, Inc. is requesting review of and acceptance of a Land Use Permit for a term of five (5) years for a one (1) square mile area located northeast of Deadhorse, Alaska. We have completed all of the documents necessary for permit review. I am also attaching additional detail regarding the permit acceptance request.

We have entered into a long term contract and are currently under construction of a new facility in Dead Horse, Alaska with:

UIC OIL & GAS SUPPORT SERVICES

[6700 Arctic Spur Road](#)

[Anchorage, Alaska 99518](#)

direct: 907-762-0136 Mike Matteucci

<http://www.uicumiaq.com/>

Even though we are not directly related to oil and gas or mineral extraction activities, we have been conducting business in Alaska since 2000. We have a permanent facility that is open in the winter months and is located in Fairbanks, Alaska. We are now expanding our operations onto the North Slope for additional and extended winter testing conditions.

We employ Eighty (80) to One Hundred (100) local employees over the winter months at our Fairbanks location. The operations in Deadhorse will employ approx. twenty five (25) employees from the Fairbanks location. This expanded operation in Dead Horse constitutes a Six Million Dollar (\$6,000,000.00) commitment to Alaska and the economy.

This new location will ensure continued product growth within our company as well as an economic impact to the local economy during the winter months and for years to come. It is vital to our operations that we have a frozen surface in order to conduct specific testing.

Kind Regards,

David T. Moreland

Manager Fleet Facilities and Denver Operations

Audi of America, Inc.

NAR EG-115 US Test Fleet

16350 Table Mountain Parkway

Golden, CO 80403

United States of America

Tel. +1 303 215 8601

Mobile +1 480 231 9306

Fax. +1 303 215 8650

<mailto: david.moreland@audi.com>

<http://www.audiusa.co>

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
Division of Mining, Land and Water

Northern Region Land Office,
Fairbanks
(907) 451-2740

Southcentral Region Land Office,
Anchorage
(907) 269-8552

Southeast Region Land Office,
Juneau
(907) 465-3400

Dear Applicant:

The Department of Natural Resources, Division of Mining, Land and Water's (DMLW) regional land offices are responsible for managing state land and resources. Certain activities on state land require a land use permit, while other activities are considered "generally allowed" or require other authorizations. Commercial recreation facilities that remain no longer than 14 days in any one site may obtain a commercial recreation permit rather than a land use permit. Additional information and forms are available at any Division of Mining, Land and Water regional land office and the Public Information Centers in Anchorage and Fairbanks.

Land Use Permits:

- authorize the temporary use of state land or resources;
- can be issued for up to five years;
- do not convey any interest in state land;
- are revocable with or without cause;
- are not transferable;
- do not constitute waiver of any other state, federal, or local laws; and

A Complete Land Use Permit Application Package includes the following items:

A Land Use Permit application form completed and signed by the applicant. Applicants proposing:

- the use of the uplands and non marine waters must also complete the Supplemental Questionnaire for Use of Uplands and/or Non Marine Waters accompanying this application;
- off-road travel must also complete the Supplemental Questionnaire for Off-Road Travel accompanying this application; and/or
- the use of tide and submerged lands must also complete the Supplemental Questionnaire for Use of Marine Waters accompanying this application.

The **site development diagram** required in the Supplemental Questionnaire for Use of Uplands and/or Non-Marine Waters and the Supplemental Questionnaire for Use of Marine Waters should show each item labeled so that it corresponds with your description in the Questionnaire. **The site development diagram must include:**

- **Location** - Section, Township, and Range lines; North arrow; scale; title; legend (may be attached).
- **Boundaries** – Boundaries and dimensions of proposed area of use and their relation to geographic features, including water bodies, and existing trails or rights-of-way.
- **Structures and Storage** - Location and dimensions of buildings, tent platforms, out-buildings and other improvements, and of equipment parking and storage areas, including snow storage areas.
- **Hazardous substances** – Location and dimensions of storage facilities for hazardous substances, including but not limited to oil, lubricants, fuel oil, gasoline, solvents, and diesel fuel. Include method and dimensions of storage (tank, drum, etc.).

Other items that must accompany the application package are:

Map - a topographic map of sufficient scale to show the location of the proposed activity. The map may be either 1:250,000 or 1:63,360.

Filing Fees - A \$100.00 non-refundable filing fee is required by regulation (11 AAC 05.010(5)(B)). Make checks payable to the "State of Alaska".

Other Miscellaneous Items: Items specifically identified and required in any of the supplemental questionnaires.

Completed Land Use Permit Applications should be mailed to one of the following offices:

Public Information Center
550 W. 7th Ave, Suite 1260
Anchorage, AK 99501
(907) 269-8400

Public Information Center
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2705

MLW Information Office
P.O Box 111020
Juneau, AK 99811-1020
(907) 465-3400

Pre-Permit Issuance Requirements: Prior to issuance of a permit, an applicant is required to submit one or more of the following:

Use Fees - The use fee depends on the type of activity, length of use and the acreage authorized for use. Regulations under 11 AAC 05.010(e)(6)-(9) describe use fees for different activities authorized under land use permits.

Performance Guaranty (Bond) - A performance guaranty is held by the state to assure performance and to pay for corrective action if the use of state land fails to comply with the requirements of the permit. The DMLW uses a bonding matrix to determine the amount of a performance guaranty. Acceptable types of performance guaranties include:

- a. cash or check made out to the State of Alaska;
- b. a Certificate of Deposit (CD) in the state's name; or
- c. a corporate surety bond.

Insurance - Insurance to protect you and the state from liabilities incurred through the use of state property.

Survey - Surveys are generally not required for land use permits. Some authorizations may require a Global Positioning System (GPS) to determine the location of the project.

If you have any questions prior to submitting your application, you are encouraged to meet with a member of the Division of Mining, Land and Water staff about your proposed activity.

ONLY COMPLETE APPLICATIONS WILL BE ACCEPTED

**STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER**

LAND USE PERMIT APPLICATION

AS 38.05.850

Applicants must complete all sections of this application. In addition, applicants proposing:

- the use of the uplands and non marine waters must also complete the Supplemental Questionnaire for Use of Uplands and Non Marine Waters accompanying this application;
- off-road travel must also complete the Supplemental Questionnaire for Off-Road Travel accompanying this application; and/or
- the use of tide and submerged lands must also complete the Supplemental Questionnaire for Use of Marine Waters accompanying this application.

Other items that must accompany the completed application are:

- **a (non-refundable) \$100 application filing fee;**
- a 1:250,000 or 1:63,360 scale USGS map showing the location of the proposed activity;
- additional items identified and required in any supplemental questionnaire(s) to this application; and
- additional pages if more space is necessary to answer the questions completely.

Completed Land Use Permit Applications should be mailed to one of the following offices:

Public Information Center
550 W. 7th Ave, Suite 1260
Anchorage, AK 99501
(907) 269-8400

Public Information Center
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2705

MLW Information Office
P.O. Box 111020
Juneau, AK 99811-1020
(907) 465-3400

LAS # _____

Applicant Information:

Volkswagen Group of America, Inc.

Applicant Name

Date of Birth

Volkswagen Group of America, Inc.

David T. Moreland

9-6-1962

Doing Business As

Contact Person

EIN

16350 Table Mountain Parkway Golden, CO 80403

david.moreland@audi.com

Mailing Address with City, State and Zip

Email Address

() N/A

(303) 215-8601

(480) 231-9306

(303) 215-8650

Home Phone

Work Phone

Cell Phone

FAX

If you are applying for a corporation, give the following information:

Name, address and place of incorporation: Volkswagen Group of America, Inc.

2200 Ferdinand Porsche Dr. Herndon, VA 20171

Is the corporation qualified to do business in Alaska? **Yes** **No** . **If yes**, provide name, address and phone number of resident agent: Volkswagen Group of America, Inc. 3720 Braddock Street. Fairbanks, AK 99701 (Steve Spartan JLL)

Type of User, Select one: Private non-commercial (personal use)

Commercial Recreation or Tourism

Public Non-profit including Federal, State, Municipal Government Agency

Other commercial or industrial

Duration of Project: The proposed activity will require the use of state land for: **(Check one)**

a single term of less than one year. **Beginning month:** _____ **Ending month:** _____

a multi year term for up to 5 years. **Beginning year:** 2016 **Ending year:** 2021

If multi year and seasonal, circle months of use in each year. **Jan., Feb., Mar., Apr., May, Jun., Jul., Aug., Sept., Oct., Nov., Dec.**

depending on tundra travel open/closure dates

Project Location

Latitude/Longitude or UTM: 70°14'26.61"N 148°9'58.66" (Google Earth) or

 Section: 6, Township: 10N, Range: 16E, Meridian: Umiat

(The spaces below are to be used if the boundaries of the proposed project cross section lines.)

 and portions of section 1, 3, 7, and 8 (see attached Figure 2)

 Section: , Township: , Range: , Meridian:

 Section: , Township: , Range: , Meridian:

Proposed project will require the use of up to 10 acres/year acres.

(Add additional sheets as necessary)

Project Description - Describe in detail your intended use of state land. (State land also includes all tide and submerged lands beneath coastal waters and all shorelands beneath other navigable water bodies of the state.) Discuss development and activities. (Attach additional pages as necessary.)

Research and development testing on various Audi test vehicle models. The following testing is to be performed:

(1) Traction Control System

(2) ESP - Anti-Lock Braking System

(3) Various All-Wheel Drive Systems

(4) Acceleration and Braking

Note: A maximum of ten (10) vehicles will utilize the ice track throughout a 24 hour period for a maximum of two (2) hours per day.

Should a portion of the permitted area be closed to the general public? **Yes** **No** . **If yes**, explain which portion and provide justification for exclusive use:

A closed area to the genral public is being requested due to safety concerns and privacy concerns assoicated with the testing of Prototype vehicles. The vehciles will be performing various maneuvers at varying rates of speed and with various degrees of control. This is done with trained and qualified personel performing these maneuvers. Furthermore, the nature of the cold-weather research and development testing to be performed is proprietary and sensitive internal material and technology.

Site Description - Briefly describe the current condition of the proposed site of use, noting any trash, garbage, debris or signs of possible site contamination (If significant, we recommend you provide pictures to establish initial conditions):

The site is located adjacent to an old gravel pit (Duck Island Pit) in a BP controlled area. The site is undisturbed tundara with a large lake and smaller tundra lake polygons. No previous use of the site is known and no contamination or debris is known to exist on site.

Are there improvements or materials on the site now? **Yes** **No** **If yes**, briefly describe the improvements, their approximate value, and who owns them (We recommend you provide pictures of improvements):

An existing gravel driveway/access road to the old Duck Island Pit exists and will be used to access the site. No other improvements exist on the proposed site.

Site Description continued - Describe the natural vegetation --- ground cover, trees, shrubs --- and any proposed changes. Describe the location of any estuarine, riparian, or wetlands and any noticeable animal use of area.

The entire area is tundra wetlands typical to the North Slope. No changes to the existing vegetation are anticipated to occur as a result of this project.

Site Access - Describe how you plan to access the site, and your mode of transportation.

Access to the site will be via an existing driveway that was constructed as an access to the old Duck Island Pit.

If your access is by aircraft, specify the type and size of aircraft: N/A

To access the site, the aircraft is equipped with floats wheels skis .

Number of people

1. Indicate the number of employees and supervisors who will be working on the site. 15
2. Indicate the number of customers who will be using the site per year or season. N/A
3. Indicate the number of days the site will be used per year or season. 140

Environmental Risk / Hazardous Substances - In the course of your proposed activity will you generate, use, store, transport, dispose of, or otherwise come in contact with toxic and/or hazardous materials, and/or hydrocarbons? **Yes** **No** . **If yes, please describe:**

Gasoline will be contained within the fuel tanks of the test vehicles (up to 25 gallons) per vehicle.

The types and volumes of fuel or other hazardous substances present or proposed: Gasoline will be contained within the fuel tanks of the test vehicles (up to 25 gallons) per vehicle. Motoroil and engine coolant contained within the vehicle as well.

The specific storage location(s): No onsite storage of fuel or any other petroleum product will be required as part of this land use request. All vehicle fueling and services will be performed at our storage and maintenance shop in Deadhorse and vehicles will travel to the proposed site and conduct testing as defined.

The spill plan and prevention methods: _____

The ice pad/track shall receive daily visual inspections for the presence of spills and or debris. All observed spills shall be scrapped from the ice surface, contained in oily waste containers and disposed of at an authorized disposal facility in accordance with all regulatory requirements. The primary disposal facility if required shall be Oxbow landfill.

Environmental Risk/Hazardous Substances (continued) - If you plan to use either above or below ground storage containers (like tanks, drums, or other containers) for hazardous material storage, answer the following questions for each container:

Where will the container be located? N/A

What will be stored in the container? N/A

What will be the container's size in gallons? N/A

Give a description of any secondary containment structure, including volume in gallons, the type of lining material, and configuration:

Will the container be tested for leaks? **Yes** **No** N/A

Will the container be equipped with leak detection devices? **Yes** **No** . **If no**, describe: N/A

Do you have any reason to suspect, or do you know if the site may have been previously contaminated? **Yes** **No** . **If yes**, please explain:

There is no knowledge of previous site contamination.

Moreland David VWPKI
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VWPKI B294B9083DBACF1B
Date: 2015.11.18 09:15:15 -07'00'

Manager

Signature of Applicant or Authorized Representative

Title

Date Stamp: 11/18/2015

AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made part of the state public record and becomes public information under AS 09.25.110 and 09.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested.) Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit is punishable under AS 11.56.210.

Land Use Permit Application Supplemental Questionnaire for: Off Road Travel

Answer the following questions if your proposed activity includes off-road travel.

Terrain Factor. Circle the following terrain type(s) that best describes your route of travel:

- Wetlands
- Open, non-tundra or wetland areas.
- Rivers or other water bodies.
- Wooded areas with trees of 6" or greater diameter (at breast height).
- Tundra areas.

Vehicles and Weight. List the number and kinds of vehicles to be used for motorized travel, the weight of each vehicle and the weight of each trailer or sled (including loaded weight) to be carried by that vehicle:

The following equipment is proposed for use to clear, prepare and maintain the frozen lake surface to permit the required testing by Audi of America.

(1) Tucker-Terra: 30,000 lbs

(1) Pisten Bully: 26,500 lbs

(1) Volvo L120 Loader: 45,000 lbs

(1) 16H Motor Grader: 57,500 lbs

Volkswagen Group of America Inc. will be conducting research and development testing on the following vehicles on the proposed ice track/pad surface:

Audi TT: 3,200 lbs Audi A4: 3,500 lbs Audi A5: 3,700lbs Audi: Q3 3,500 lbs Audi: Q5 3,700 lbs Audi Q7: 5,000 lbs Audi A8: 4,800 lbs

Mileage.

- State the average total miles traveled in one round trip: 5 to 10 miles during testing
- State the number of trips proposed: 140 days for the forecasted testing

Season Factor. Proposed date(s) of travel will be: **From:** November **To:** May

Stream and Water Body Crossings. - Note who you contacted in the ADF&G, Division of Habitat:

Date: _____ Person: _____

Fuel and Hazardous Substance Factor. The volume of fuel and hazardous substances to be used is the total volume (in gallons) to be carried on one vehicle and any trailers or sleds that vehicle is towing.

- Maximum volume of fuel (in gallons) that is being transported by one vehicle and any trailers or sleds it is towing: 25 gallons. Volume contained as a maximum amount per vehicle in the fuel tank. No additional containment vessels will be located on the ice track/pad surface or area.
- Hazardous substances other than fuel:

Substance Not applicable

Substance _____

- Do you have an Oil Discharge Prevention and Contingency Plan approved by the Alaska Department of Environmental Conservation? **Yes**[] **No**[]
- Do you have either a trained spill response team or a contract with a spill response company? **Yes**[] **No**[] TBD

**Land Use Permit Application Supplemental Questionnaire for:
Use of Uplands and Non Marine Waters**

To be completed to provide more detailed information about projects or activities requiring the use of state owned uplands and non marine waters. All site development details identified in this section must be represented graphically in the scaled drawings on Page 4 of the supplement.

Temporary Structures – 1) Describe all temporary improvements (including buildings, tent platforms, out-buildings, docks, floats, and floating facilities), including their dimensions and building materials. 2) Label improvements to be maintained on a year round basis as year round. **Note:** Seasonal improvements must be completely dismantled and removed or stored on or before the end of authorized terms of use.

The ice track/pad will be constructed using pre-pack snow and blading. Water will be used if needed and as needed. It is not anticipated that ice chips will be used at this time for construction.

Audi anticipates using Peak Oilfile Servive or Cruz Construction for the construction of the ice pad/track.

Maintenance of the track will be performed by the same contractor. Maintenance will consist of blading, applying water and scarafying.

Distance structures including pit privies will be located from the ordinary highwater mark of the nearest freshwater body (lake, stream, river, etc), or the mean high water mark of a saltwater body: Distance from the nearest water body will change as the track will change location seasonally to protect the underlying tundra.

Harvest of Non-Timber Related Forest Products – Please list the type and quantity of each non-timber related forest product (berries, ferns, willow, mushrooms, birch bark, etc.) to be harvested for commercial use:

Not Applicable

Contact the DNR Division of Forestry to obtain authorizations for the harvest of small trees.

Motorized Equipment - List mechanized/motorized equipment to be used, including type, size, purpose, and number of each.

The following equipment is proposed for use to clear, prepare and maintain the frozen lake surface to permit the required testing by Audi of America.

(1) Tucker-Terra: 30,000 lbs (1) Pisten Bully: 26,500 lbs (1) Volvo L120 Loader: 45,000 lbs (1) 16H Motor Grader: 57,500 lbs

Volkswagen Group of America Inc. will be conducting research and development testing on the following vehicles on the proposed ice track/pad surface:

Audi TT: 3,200 lbs Audi A4: 3,500 lbs Audi A5: 3,700lbs Audi: Q3 3,500 lbs Audi: Q5 3,700 lbs Audi Q7: 5,000 lbs Audi A8: 4,800 lbs

Storage and Parking - If you plan to store items or park boats, vehicles and/or heavy equipment on the site, describe complete the following:

Describe and give dimensions of long term and short term parking and or storage areas. Not Applicable

Is parking or storage planned to take place on filled tidelands. Yes [] No [X]

Does storage involve structures or materials floating in a waterbody? Yes [] No [X] If yes, describe. _____

Storage and Parking (continued)

Number of disassembled tent frames 0

Number of tent platforms 0

List and describe items that are large and difficult to transport. Include dimensions: Not Applicable

Will barrel(s) or an equivalent type of storage container be used? **Yes** [] **No** [] If using something other than barrels for storage containers, describe the alternative container.

Describe any measures you plan to take to minimize drips or spills from leaking vehicles or equipment. All vehicles will carry duck ponds that will be placed underneath the vehicle while standing on the ice track surface for short durations.

All vehicles will be equipped with dip pads secured to underbody of the vehicles at all times.

Water / Wastewater

Water Supply – Describe the water supply and proposed use. Peak Oilfield Service or Cruz Construction will provide the water supply for the construction and maintenance of the ice track/pad.

Wastewater – Describe the wastewater type and quantity and proposed method of wastewater disposal: (for the marine environment, also describe the proposed gray and black water systems or out fall pipeline.

Not Applicable

Waste – Describe the types of waste that will be generated on-site, including solid waste, the source of the waste, and the method of waste disposal, i.e. pit privy, or self-contained system, or outfall line; indicate distance from the nearest waterbody.

Not Applicable

Animal Use

Will there be any use of animals (horses, llamas, dogs, etc.)? Yes [] No [X]

Will there be commercial use of the animals (horseback rides, packing, dog sled rides, etc.)? Yes [] No [X] If yes, please explain:

Dismantle, Removal, Restoration Plan – Provide a plan for dismantling and removing temporary structures. Include method and timeline for total site restoration:

Not Applicable

SHORT TERM (PORTABLE) COMMERCIAL RECREATION CAMPS: Identify commercial recreation activity/activities for which short term (portable) camps **will be** established to accommodate employees and clients, and provide a general description of the location(s) (e.g. guide use area, game management sub-unit, river, stream, lake, etc.) where the recreational activity/activities and short term (portable) camp use will occur.

___ Big Game Guiding: (List up to 3 Guide Use Areas.) Not Applicable

___ Sportfishing (List river corridors, lakes, etc.) Not Applicable

___ Boating/Rafting/Kayaking: (List river corridors, lakes, etc.) Not Applicable

___ Other Recreation: (Type and general geographic description.) Not Applicable

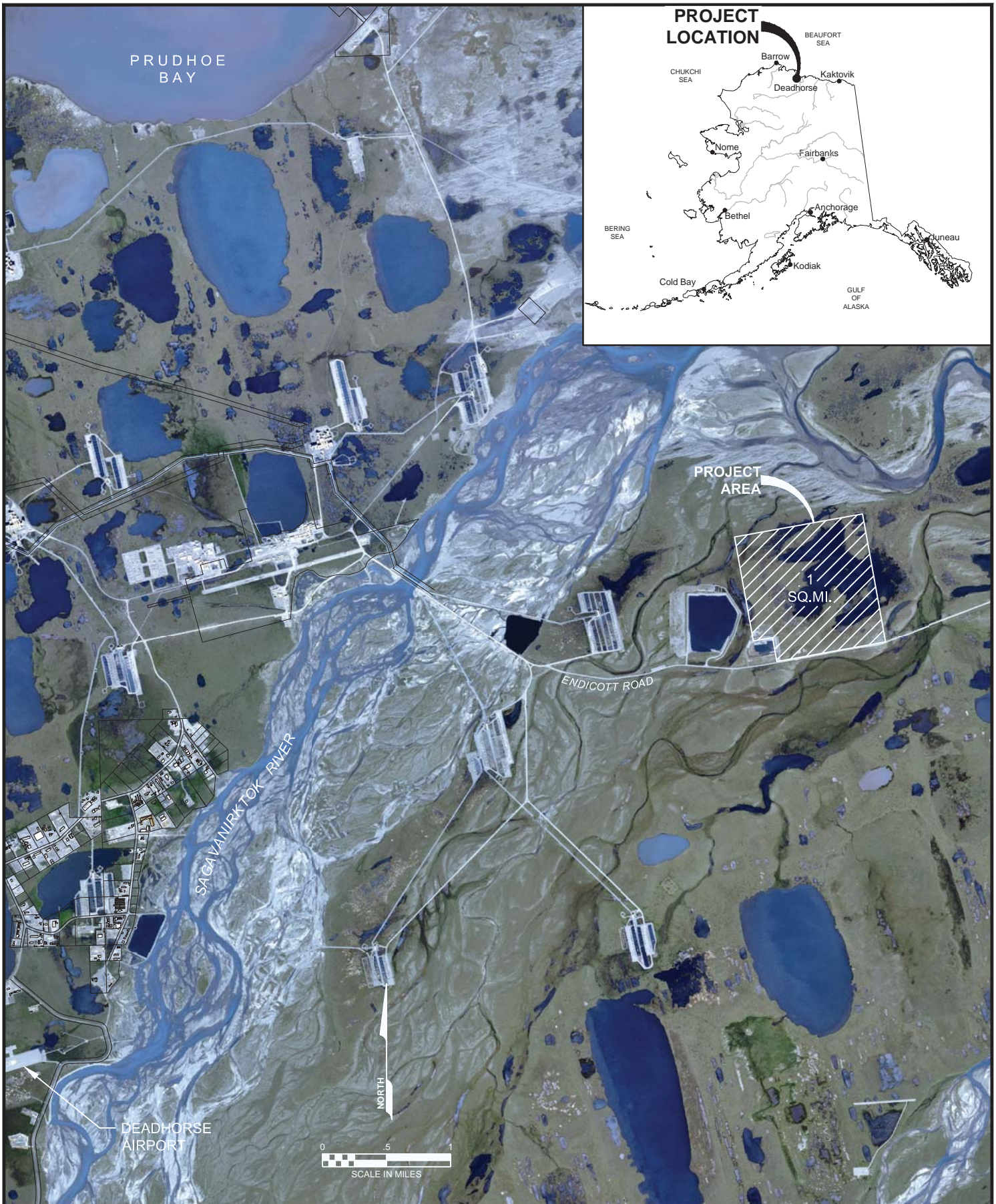
- Identify any State of Alaska Refuge, Sanctuary and/or Critical Habitat Area where short term (portable) camps will be used.

Not Applicable

Will activities include “day use” of state land managed under the Haines State Forest Management Plan? Yes ___ No [X]

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 PRINTED: 10/29/2015 09:28 wes.williams

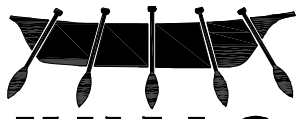
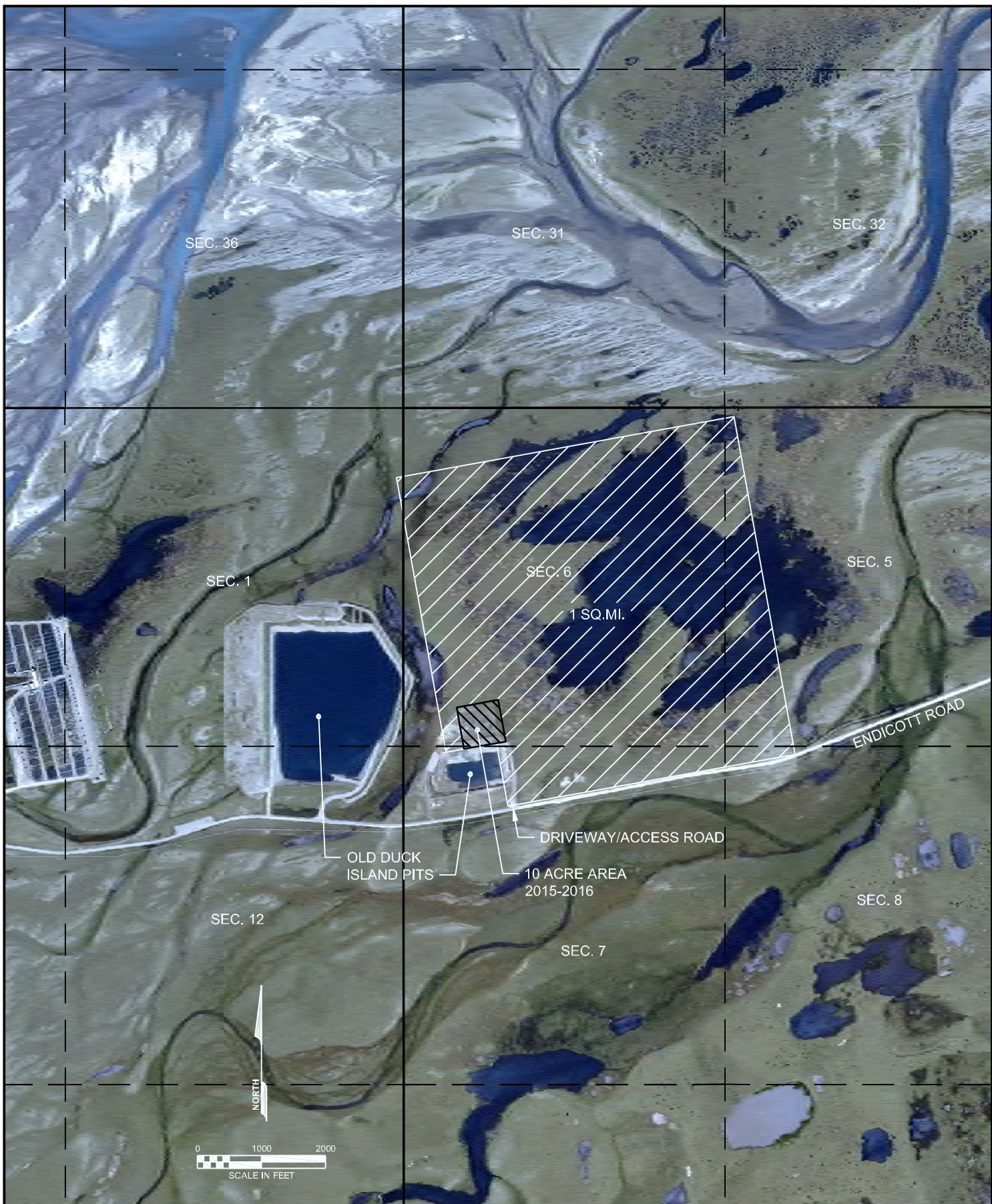
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 XREFS: 45000.15 TITLEBLOCK.DWG
 IMAGES: SDMI_CENTRAL_RGB.TIF



**AUDI TEST TRACK FACILITY
 VICINITY MAP
 DEADHORSE, ALASKA**

DATE:	10/30/2015	DRAWN BY:	WDW	SHEET:	FIGURE 1
SCALE:	AS SHOWN	CHECKED BY:	WM	JOB No:	45000.15

FILE: M:\Environmental\Projects\45000.15 Audi Test Track\Drawings\45000.15 Figures 1-2.dwg
 PRINTED: 11/23/2015 11:27 mrayner
 LAYOUT: LOCATION MAP
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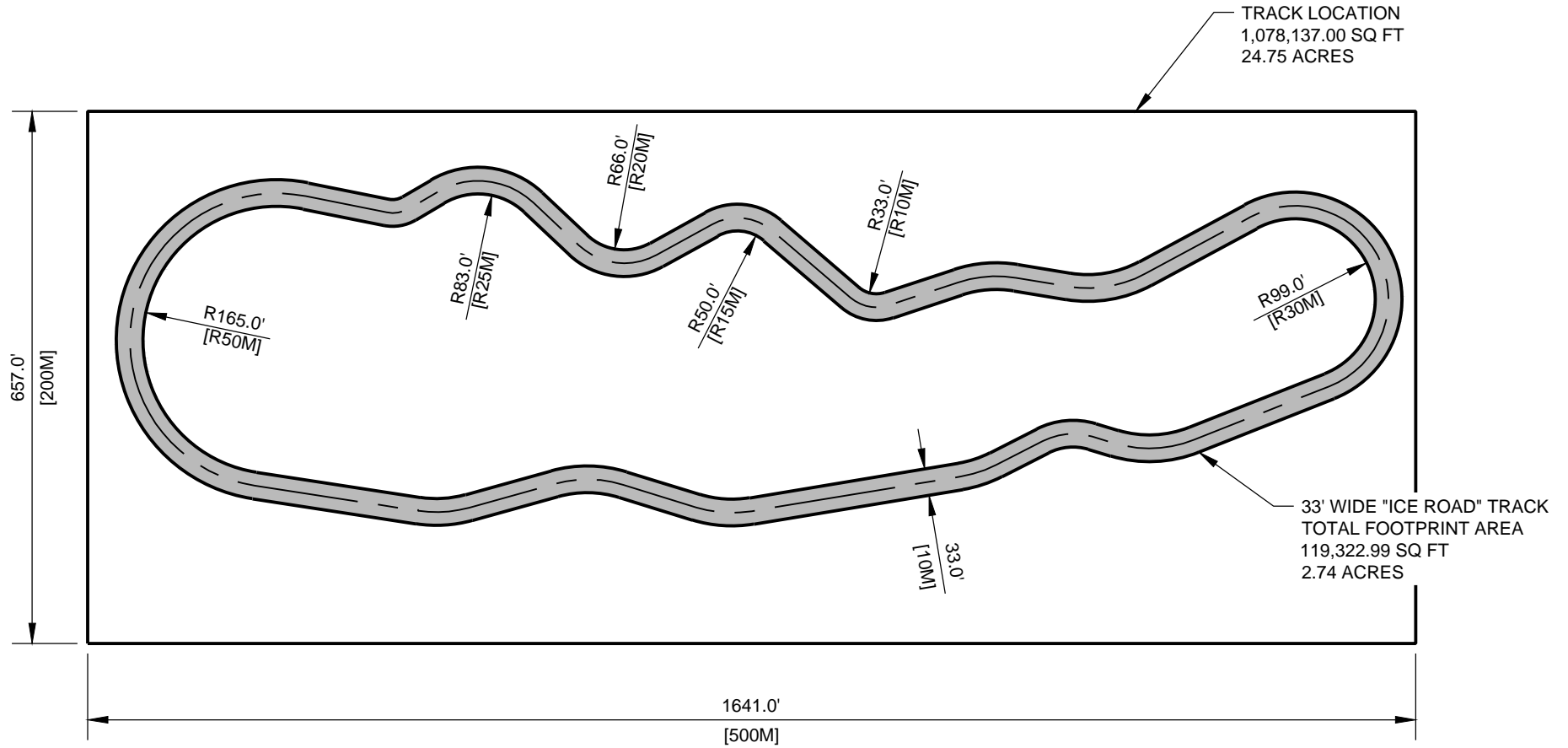
6700 Arctic Spur Road - Anchorage, AK 99518 - (907) 677-8220

AUDI TEST TRACK FACILITY

LOCATION MAP

DEADHORSE, ALASKA

DATE:	10/30/2015	DRAWN BY:	WDW	SHEET:	FIGURE 2
SCALE:	AS SHOWN	CHECKED BY:	WM	JOB No:	45000.15



NOTE:
DRAWING AND AREAS BASED ON SKETCH
PROVIDED BY AUDI

