

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

**MINERAL ORDER NO. 1204 A01
Closing Lands to Mineral Entry**

 X Closing Lands to Mineral Entry Opening Lands to Mineral Entry

- I. Name:** Cross Inlet Pipeline Extension Project (ADL 232962 and ADL 232963); adding CIGGS-LP
- II. Reason for Mineral Order:** This Mineral Order is based on the attached Commissioner's Administrative Finding and applicable statutes.
- III. Authority:** AS 38.05.185 - 38.05.275 and AS 38.05.300.

IV. Location and Legal Description: Lands to be closed under this Mineral Order include all lands previously closed by MO 1204 (April 2018), plus approximately 2.44 miles of the CIGGS-LP pipeline located in the Nikiski area being added to ADL 232963 with an additional 100 feet on either side of the 20 foot ROW corridor. This amendment addresses the addition of the CIGGS-LP pipeline to the ADL 232963 pipeline right-of-way (ROW). CIGGS-LP is a constructed 4.7-mile natural gas pipeline being converted to service as an oil line, and is located on private lands, in section line easements, and in State-owned road rights-of-ways including the North Kenai Spur Highway.

During pipeline construction, MO 1204 affects approximately 1,230 acres, which will be reduced to approximately 964 acres upon the acceptance of the operational ROW survey. MO 1204A01 affects up to 66 additional acres, which will be reduced to accurately reflect just those lands under State jurisdiction upon the acceptance of the operational ROW survey. The rights-of-way fall within portions of the following sections:

Mineral Order 1204

Tyonek W 10 Pipeline (ADL 232962)

Township 11N, Range 09W, SM, Section 6;
Township 11N, Range 10W, SM, Section 1;
Township 12N, Range 10W, SM, Section 20, 27, 28, 29, 34, 35, and 36.

CIGGS Marine A Pipeline (ADL 232963)

Township 11N, Range 12W, SM, Section 25;
Township 11N, Range 11W, SM, Section 30, 31, and 32;
Township 10N, Range 11W, SM, Section 5, 8, 16, 17, 21, 28, and 33;
Township 09N, Range 11W, SM, Section 4, 9, 16, 17, 20, 29, 31, and 32;
Township 08N, Range 11W, SM, Section 6;
Township 08N, Range 12W, SM, Section 1, 12, 13, 24, 25, 26, and 35.

Total – approx. 1,230 acres during construction; approx. 964 acres upon acceptance of ROW survey

Mineral Order 1204A01 (amendment)

LP CIGGS (ADL 232963)

Township 07N, Range 12W, SM, Sections 10, 15, 16, and 21.

Total – approx. 66 acres upon acceptance of final ROW survey

See the attached maps for reference.

- V. This amendment supersedes the prior version of Mineral Order 1204 (April 2018). This amendment will become effective 30 days after the adoption of the order.
- VI. **Mineral Closing:** This mineral order is subject to valid existing rights and is issued under the authority granted by AS 38.05.185 - 38.05.275 and AS 38.05.300 to the Department of Natural Resources. In accordance with AS 38.05.185(a), I find that the best interests of the State of Alaska and its residents are served by closing the land described in this mineral closing order to entry under the mineral location and mining laws of the State of Alaska. Thereby, the above-described lands are hereby closed to entry under the locatable mineral and mining laws of the State of Alaska.

Concur:

Brent W. Goodrum, Director
Division of Mining, Land, and Water

Date

Approved:

Andrew T. Mack, Commissioner
Department of Natural Resources

Date

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

**COMMISSIONER'S ADMINISTRATIVE FINDING
MINERAL ORDER NO. 1204A01 (AMENDMENT)
Closing Lands to Mineral Entry**

**CROSS INLET PIPELINE EXTENSION PROJECT
CIGGS-A /CIGGS-LP
AS 38.35 PIPELINES
(ADL 232962 and ADL 232963)**

The proposed action calls for an Amendment to Mineral Order 1204, to expand the closure of state land and subsurface to mineral entry to include those lands that coincide with the CIGGS-LP pipeline within the Nikiski area, including a 100' buffer zone. The CIGGS-LP pipeline will be included with the CIGGS-A pipeline under Right-Of-Way (ROW) lease ADL 232963. These pipelines are a component of the Cross Inlet Pipeline Extension Project (Cross Inlet), which aims to re-route and re-purpose existing Cook Inlet oil and gas pipelines to increase transportation efficiency within the railbelt area and to eliminate the need for the Drift River Oil Terminal near the base of Mt. Redoubt, an active volcano.

The conversion of the existing LP CIGGS 10" on-shore pipeline from natural gas to oil service requires an AS 38.35 ROW lease; it will connect with the CIGGS-A Pipeline so will be included in the same ROW authorization (ADL 232963). The CIGGS-LP pipeline will connect from the tie-in at the new CIPL E 10 on-shore pipeline to the tie-in at the Swanson River Oil Pipeline near the Andeavor (Tesoro) refinery.

The lands subject to this Amendment to Mineral Order 1204 (MO 1204 A01) would encompass the ROW lease corridor, as may be renewed and amended, plus 100 feet on each side of the corridor. Graphic representation of the corridor is provided in the attached maps. Once issued, this MO will remain effective until the administrative need is met, and will be rescinded upon the closure, termination, or expiration of the related ROW leases. Existing mineral rights will not be affected by this mineral order. The proposed amendment to Mineral Order 1204 (MO 1204 A01) seeks to close up to an additional 66 acres of land.

The proposed CIPL Cross Inlet Extension Project has the intent to ensure reliable and safe transportation of oil and natural gas in the Cook Inlet area, and is essential to railbelt communities, the health of the inlet, and those who rely on the inlet for their livelihood. Mining activities and operations would have the potential to adversely impact the final location, construction, and operation of the pipeline and as such are incompatible uses. Consistent with AS 38.05.300, the Commissioner of the Department of Natural Resources can approve a mineral closing order in excess of 640 acres if the closure is related to infrastructure or transportation corridors in which mineral entry is an incompatible use. I therefore find that the standards for the closure to mineral entry and development under AS 38.05.185 - 38.05.275 and AS 38.05.300 have been met and that the area of the pipeline corridor should be closed to mineral entry and development.

For these reasons, I find:

1. The requirements for closure under AS 38.05.185-38.05.275 and AS 38.05.300 have been met.

2. It is appropriate to amend Mineral Order 1204 and close to mineral entry through MO 1204A01, up to an additional 66 acres of land associated with the pipeline corridor or a similar pipeline project of comparable alignment. Mining is an incompatible use that would adversely affect the proposed use of the surface estate.
3. The proposed Mineral Order will not be issued if this ROW lease or the ROW leases associated with MO 1204 or MO 1204A01 are not issued.
4. The proposed Mineral Order will have a sunset clause. The Mineral Order will automatically be rescinded upon the termination, expiration, or closure of this ROW lease or the ROW leases associated with MO 1204 or MO 1204A01. Should one ROW lease be closed before the other, this Mineral Order will be reduced accordingly.

Concur:

Brent Goodrum, Director
Division of Mining, Land, and Water

Date

Approved:

Andrew T. Mack, Commissioner
Department of Natural Resources

Date