STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES

ANALYSIS AND PROPOSED DECISION

TRANS-ALASKA PIPELINE RIGHT-OF-WAY LEASE AMENDMENT, ADL 63574 SAGAVANIRKTOK RIVER REVETMENT AT PIPELINE MILEPOST 21.5

Proposed Action: The Department of Natural Resources (DNR) received a request from Alyeska Pipeline Service Company (APSC), agent for the Trans-Alaska Pipeline System (TAPS) lessees, to amend the Trans-Alaska Pipeline Right-of-Way (ROW) Lease, ADL 63574 to add lands approximately 22 miles south of Pump Station 1 in Deadhorse, Alaska. Severe floods in August of 2019 eroded over 100 ft. of the west bank of the Sagavanirktok (Sag) River, leaving only a 30 ft. buffer between the pipeline and the river. The proposed revetment is near TAPS Pipeline Milepost (PLMP) 21.5.

APSC requests to add lands to the ROW for the installation of a revetment to protect TAPS from further bank erosion on the Sag River. The erosion control structure would consist of mostly riprap and be approximately the same height as the flood plain bank, allowing overbank flows to overtop the structure during flood events. This is designed to maintain the floodplain connectivity and relieve stresses on the structure. The proposed construction ROW is approximately 980 ft. long by 200 ft. wide; located within NW4NW4 Section 17 and NE4NE4 Section 18, Township 7 North, Range 14 East, Umiat Meridian; and containing approximately 4.7 acres.

This amendment request is necessary for protecting the integrity of TAPS from high water events and further erosion and is discussed in more detail in the Project Description section. Once construction activities are concluded, the added land to the operational ROW will be surveyed and may include less acreage than approved for construction.

The additional lands are necessary to support the existing pipeline system as defined in AS 38.35.230(7) and authorized by the Trans-Alaska Pipeline ROW Lease, ADL 63574. See drawings for more details (Attachments A and B).

Authority: AS 38.35.015 and Trans-Alaska Pipeline ROW Lease, ADL 63574.

<u>Administrative Record</u>: Trans-Alaska Pipeline ROW Lease, ADL 63574, and the associated ROW Lease Amendment case file constitute the administrative record.

<u>Background</u>: Public Notice of the ROW amendment request was published in the Anchorage Daily News and Arctic Sounder newspapers, posted on the State of Alaska online Public Notice and Division of Oil and Gas Newsroom webpages, and sent for posting in the Z.J. Loussac Library in Anchorage, Tuzzy Consortium Library in Utqiagvik, U.S. Post Offices in Prudhoe Bay and Utqiagvik on October 17, 2019.

Pursuant to AS 38.35.070, the following coordinate agencies were notified of the applications and associated documents: Department of Labor & Workforce Development, Department of Transportation & Public Facilities, Department of Environmental Conservation, and Regulatory Commission of Alaska. Additionally, the following agencies received the link to the applications and associated documents: the Alaska Departments of Administration, Fish & Game (ADF&G), Revenue, Public Safety, and the Alaska Oil and Gas Conservation Commission.

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The Office of History and Archaeology (OHA) State Historic Preservation Office (SHPO) reviewed the proposed revetment construction zones. On October 16, 2019, OHA determined there are no known culture resource sites in the proposed activity areas. If inadvertent discoveries of cultural resources occur, OHA must be notified to evaluate whether the resource should be preserved in the public interest pursuant to AS 41.35.070(d). Examples of cultural resource sites that can be encountered include: historical cabin remains, adits, dredges, mining equipment, cultural depressions or pits, graves or cemeteries, tools, artifacts, and paleontological remains.

Project Description: The project site for the revetment and flood control structure is located approximately 22 miles south of Pump Station 1, east of the Dalton Highway, east of TAPS, and west of the main channel of the Sag River. The Sag River is the second largest river on the North Slope, Alaska. In this area, the Sag River floodplain is over a mile wide with several braided channels. The anadromous river carries a bedload of fluvial sediment but is not glacially fed. Historically, this section of the river has not affected TAPS operations; however, severe aufeis was observed in the winter of 2018-2019 with an unusually warm spring resulting in rapid melt and high-water levels. An August flood event eroded 100 feet of the west bank of the Sagavanirktok River, between Spur Dikes 3A and 4, leaving an approximate 30-foot buffer from the buried pipeline to the river. The revetment project is intended to mitigate future high-water events from a dynamic river system.

The revetment is proposed to be installed adjacent to the east side of TAPS along a segment of a high-water side channel. The revetment will be an approximately 400' long with Class III-IV riprap and gravel filled voids between spur dikes 3A and 4. The proposed structure will be approximately the same height as the floodplain bank, allowing overbank flows to overtop the structure during flood events; APSC is designing this structure to maintain floodplain connectivity and relieve stresses on the structure.

Access to the project area will be from the Dalton Highway Milepost 396.5 to TAPS access road 134 APL/AMS-1 and Spur Dike 4 work pad. Equipment that may be used during the 120-day project timeline are front-end loaders, backhoes, bulldozers, compactors, trucks, and off-highway trucks. This project coincides with several flood response projects within the existing ROW. Any fish encountered during construction will be captured and released in accordance with the Letter of Authorization for Unintentional Take from the US Fish and Wildlife Service.

<u>Title</u>: On November 27, 1968, the State of Alaska applied for title to all lands within Township 7 North, Range 14 East, Umiat Meridian through General Selection 1609. The State received title under U.S. Patent Number 50-74-0107, on March 27, 1974, recorded as Document Number: 401-1974-003789-0, and rerecorded in 2012 as Document Number: 413-2012-000618-0. On June 19, 1992, the Bureau of Land Management modified the patent by issuing a Notice of Meanderable Water Acreage Credit, recorded as Document Number 413-1992-000576-0, crediting submerged lands per Sec. 101 of the Submerged Lands Act Amendment of August 16, 1988, P.L. 100-395, 43 U.S.C 1631. Title interest in all lands within these sections remain with the state.

<u>Planning and Classification</u>: The proposed lands to be added to the TAPS ROW were classified as Resource Management under Classification Order CL-617; are subject to ADL 50666, North Slope Special Use Area; and are within the legislatively designated Dalton Highway Corridor, AS 19.40.010.

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A land classification establishes the apparent best use of an area, but all other uses are presumed as compatible unless otherwise prohibited. According to 11 AAC 55.200, land classified as Resource Management is either land that might have several important resources, but for which a specific resource allocation decision is not possible at that time, or land that contains one or more resource values, none of which is of sufficiently high value to merit a designation as a primary use. The classification of Resource Management does not prohibit the proposed use for the lands in the subject area and the proposed use is compatible under the classification.

ADL 50666, North Slope Special Use Area, under 11 AAC 96.014(b)(1), designates all lands in the Umiat Meridian as "special use lands." This designation requires a permit for motorized vehicle use, unless that use is for subsistence purposes, or is on a graveled road. The North Slope Special Use Area prohibits neither the development of lands within the Umiat Meridian, nor to add the proposed lands for the river revetment to the TAPS ROW.

Pursuant to AS 19.40.200(a), the state may not dispose of state land under AS 38 that is within five miles of the Dalton Highway right-of-way; however, AS 19.40.200(b)(4) states the prohibition on disposal of state land under (a) does not apply to a disposal of lands necessary for exploration, development, production or transportation of oil or gas north of 68 degrees north latitude.

The proposed revetment will provide essential bank erosion mitigation along the pipeline, and is necessary for protecting the integrity of TAPS. This use is consistent with the management intent of the area. There is nothing in the classification, special use designation, or the Dalton Highway Corridor Designation that prohibits the proposed additional of lands to the TAPS ROW to protect the transportation of oil resources.

<u>Public Notice</u>: Notice of this Analysis and Proposed Decision for the lease amendment request will be published in the Anchorage Daily News and Arctic Sounder on December 5, 2019. The Notice was posted on the State of Alaska online Public Notice and the Division of Oil & Gas Newsroom webpages on December 5, 2019. The Notice will also be sent for posting in the Tuzzy Consortium Library in Utqiagvik and U.S. Post offices in Prudhoe Bay and Utqiagvik on December 5, 2019.

If public comment indicates the need for significant changes in the proposed decision, additional public notice will be given on or after January 6, 2020. 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 January 6, 2020, without further notice.

Analysis: AS 38.35, the Alaska Right-of-Way Leasing Act, sets forth the procedures by which certain ROW leases are granted by the State of Alaska and the conditions under which they can be amended. Pursuant to 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.

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Pursuant to AS 38.35.015, the Commissioner has the power to grant leases of state land for pipeline ROW 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 ROW Lease, ADL 63574 on May 3, 1974, and the Renewal and Amendment of ROW Lease for the Trans-Alaska Pipeline and Associated Rights, ADL 63574, effective May 2, 2004. The terms, conditions, stipulations and reservations contained in the Trans-Alaska Pipeline ROW Lease, ADL 63574, will apply to these lands if added to the lease.

AS 38.35.020(a) requires the applicant to obtain a ROW lease of state land from the Commissioner. The revetment is for mitigating bank erosion and therefore, exposure of the buried pipe. The proposed activity is for protecting the integrity of the pipeline and is consistent with the original purpose of the lease. The improvement requires additional disposals of interest in state land beyond what was included in the original terms of the Trans-Alaska Pipeline ROW Lease, ADL 63574. Therefore, an amendment to the lease is required when there is a disposal of an interest in state land or resources beyond what was reviewed and approved during the original adjudication.

The installation of the subject revetment along the Sag River is to mitigate bank erosion, high water events, and exposure of the buried pipeline. Revetments are addressed in Stipulation 1.1.1.36(8) of the Trans-Alaska Pipeline ROW Lease, ADL 63574. Revetments are considered "Related Facilities," of which their substantial and continuous use is necessary for the operation or maintenance of TAPS.

Findings: The proposed project is integral to the protection of the pipeline. The revetment project is considered 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 ROW Lease, ADL 63574, is consistent with the lease. The terms, conditions and stipulations contained in Trans-Alaska Pipeline ROW Lease, ADL 63574, adequately address and protect the interest of the State of Alaska. The revetment will mitigate impacts from aufeis, high water events, erosion and exposure of the buried pipeline.

DNR will examine the project area upon completion of the construction activities to ensure all lands are in a condition acceptable to the Commissioner. An as-built survey is required for the amendment to identify the additional ROW area and to depict the location of the revetment in relation to the control line survey of the ROW. The as-built survey is to be submitted for review and acceptance by the Commissioner, pursuant to Section 1(e) of the Trans-Alaska Pipeline ROW 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. Approval of the request for the amendment to add the described lands is consistent with state statutes and the terms of the lease. The lessee is required to secure all necessary permits or authorizations required by other local, state, and federal agencies.

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<u>Proposed Decision</u>: I find that the request to amend the Right-of-Way Lease for the Trans-Alaska Pipeline, 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 because 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 January 6, 2020, without further notice.

Chris Grundman

Acting State Pipeline Coordinator

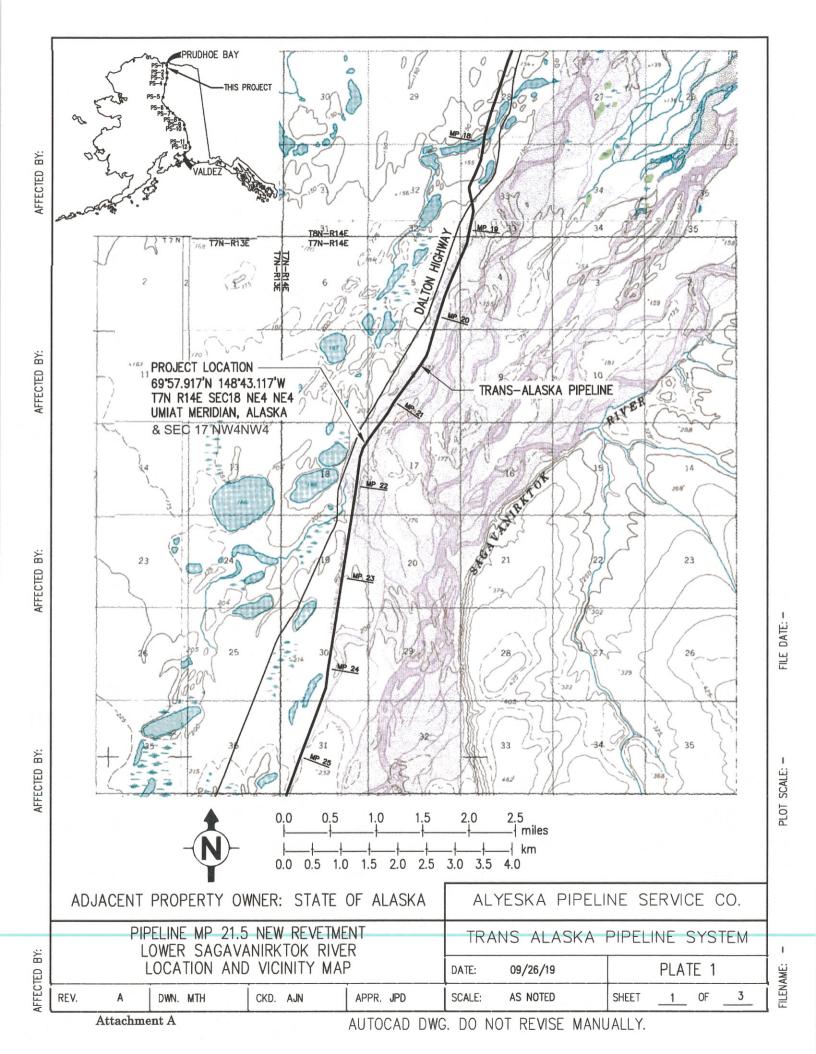
Attachment A: Trans-Alaska Pipeline System

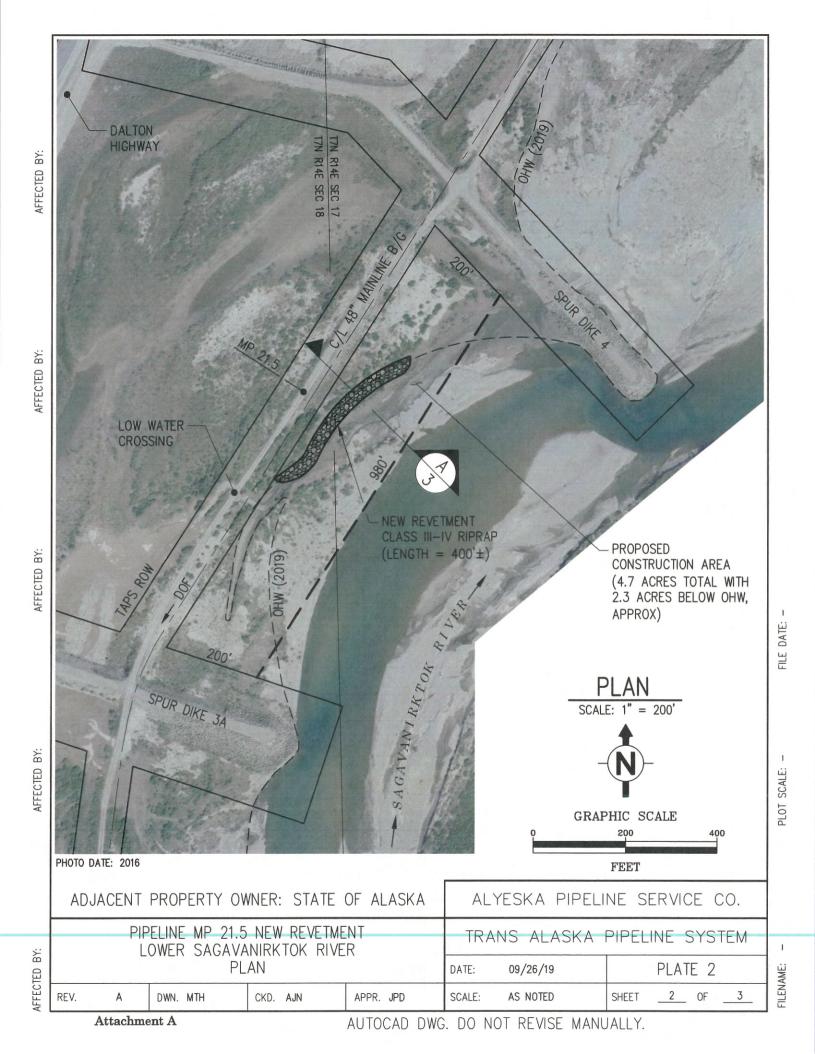
Pipeline MP 21.5 New Revetment Lower Sagavanirktok River Plan, Sheets 1-3, dated 09/26/2019 (3 Pages)

Attachment B: Trans-Alaska Pipeline System

Pipeline MP 21.5 Extension – Approx. 90 – 100 Feet,

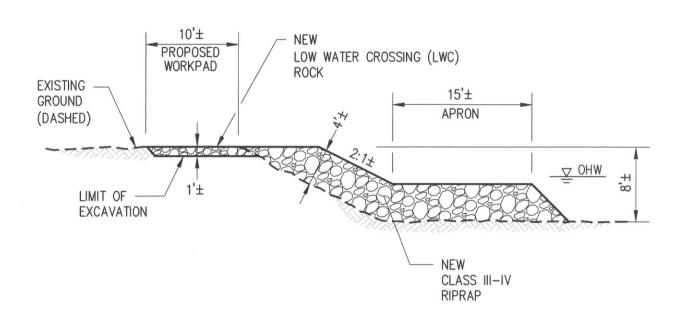
Dated 11/08/2019 (1 Page)





PLOT SCALE: -

ESTIMATED MATERIAL QUANTITIES								
	BELOW OHW	ABOVE OHW	TOTAL					
CLASS III-IV RIPRAP (CY)	2,100	900	3,000					
CLASS III-IV RIPRAP (SF)	12,600	5,400	18,000					
LWC ROCK (CY)	0	200	200					
LWC ROCK (SF)	0	5,000	5,000					





	ADJACENT PROPERTY OWNER: STATE OF ALASKA				ALYESKA PIPELINE SERVICE CO.					
TED BY:	PIPELINE MP 21.5 NEW REVETMENT LOWER SAGAVANIRKTOK RIVER			TRANS ALASKA PIPELINE SYSTEM				_		
	SECTION			DATE:	09/26/19		PLATE 3			
AFFEC	REV. A	DWN. MTH	CKD. AJN	APPR. JPD	SCALE:	AS NOTED	SHEET	3 OF _	3_	i

MP 21.5 Extension - Approx. 90 - 100 feet

