

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

**NOTICE OF DECISION**  
**RELEASE OF STATE INTEREST**  
**State Selection Files GS-5531, GS-5532, GS-5540, GS-5441, GS-5549, GS-5550, and**  
**GS-6190**

**Relinquishment of Certain State-Selected Lands**

*AS 38.05.035(a)(11), AS 38.05.035(e), Consolidated Appropriations Act for Fiscal year 2023 (Pub. L. 117-328)  
and the University of Alaska Fiscal Foundation Act*

**I. Action**

Proposed relinquishment of State of Alaska (State) land selections on certain lands. The purpose of relinquishment is to facilitate University of Alaska (UA) land selections under the Consolidated Appropriations Act for Fiscal Year 2023 (CAA 2023).

**II. Authority**

The Consolidated Appropriations Act for Fiscal Year 2023 (Pub. L. 117-328) provides that the Bureau of Land Management (BLM) may convey up to 360,000 acres of land selected by the State of Alaska (State-selected) pursuant to Section 6(b) of the Alaska Statehood Act (Pub. L. 85-508) to the University of Alaska. Additional information about the Fiscal Foundation Act can be found at:

<https://www.alaska.edu/ualand/about/land-grant/index.php>.

The ability to relinquish Statehood Act selections in favor of the University of Alaska is codified in Sec. 302(c) of the Consolidated Appropriations Act for Fiscal Year 2023 (CAA 2023). The provisions of Alaska Statute (AS) 38.05.035(a)(11) allow the Director of the Division of Mining, Land and Water (DMLW) to manage Statehood Entitlement selections. AS 38.05.035(e) provides authority for disposals of lands, resources, property, or interests in them. Article XIII of the Alaska Constitution provides guiding principles for maximum use of state lands and resources and authority for disposals of interests in lands and resources.

**III. Background and Process**

The CAA 2023 authorizes the BLM to directly convey up to 360,000 acres of land to the University of Alaska. The available lands must be federal lands selected by the State pursuant to section 6(b) of the Alaska Statehood Act.

The University of Alaska Land Management Office (UALMO) will review available State land selections and identify possible lands for conveyance. UALMO will submit land selections to the Division of Mining, Land & Water (DMLW) Realty Services Section (Realty). Realty will work with UALMO to refine the selection and will complete state-wide agency review and public notice for the proposed relinquishment. Realty will draft a decision following consideration of comments received during the agency review and public notice. The relinquishment decision will be forwarded to the Department of Natural Resources (DNR) Commissioner for review and approval and will be published on the State's online public notice board. The State and UALMO will jointly submit to BLM lists of lands to be conditionally relinquished and conveyed to the University. Final relinquishment of the State's selection would be enacted upon conveyance of the lands to the University.

**IV. Administrative Record**

The selection files for state selections GS-5531, GS-5532, GS-5540, GS-5441, GS-5549, GS-5550, and GS-6190 constitute the administrative record for this action.

Release of State Interest: University of Alaska land selection, Spooky Valley area  
December 15, 2023

## **V. Location**

Lands to be considered are located within DNR's Northern Region, within multiple townships. See legal description and attached maps.

*USGS Map Coverage:* Tanana C2, C3, D2, D3

*Regional Corporation:* Doyon LTD.

Please see Attachment A for a visual depiction of the proposed relinquishment.

## **VI. Legal Description**

T. 10 N., R. 17 W., F.M.

Secs. 4 through 9, & 16 through 21.

Containing approximately 7,596 acres.

T. 10 N., R. 18 W., F.M.

Secs. 1 through 6, 8 through 17, 20 through 29, & 32 through 36.

Containing approximately 19,816 acres.

T. 11 N., R. 17 W., F.M.

Secs. 4 through 9, 15 through 22, & 28 through 32.

Containing approximately 11,968 acres.

T. 11 N., R. 18 W., F.M.

Secs. 1 through 5, & 8 through 36, excluding United States Survey (USS) 7500, USS 8605, & Public Land Order (PLO) 399-Kilo Hot Springs.

Containing approximately 21,470 acres.

T. 12 N., R. 17 W., F.M.

Secs. 4 through 9, 16 through 21, & 28 through 33.

Containing approximately 11,252 acres.

T. 12 N., R. 18 W., F.M.

Secs. 1, 2, 11 through 14, 23 through 27, & 34 through 36.

Containing approximately 8,960 acres.

T. 13 N., R. 17 W., F.M.

Secs. 13 through 36.

Containing approximately 15,344 acres.

Aggregating approximately 96,406 acres.

## **VII. Selection History**

- State records indicate lands in the townships were selected in 1992 under general grant land selections GS-5531, GS-5532, GS-5540, GS-5441, GS-5549, GS-5550, and GS-6190.
- In letters dated June 6, 2022 (Ray Mountains), and September 16, 2022 (Spooky Valley), the University of Alaska proposed lands to be reviewed for conditional relinquishment.
- The lands are currently ranked as priority 1 and 2.

## **VIII. DMLW and Agency Review**

Information and comments received from multiple sections within DNR prior to and during three agency reviews have been considered and included in the preparation of this decision. The intent of an agency review is to request comments from agencies that may be affected by the selection relinquishment.

Agencies are given the opportunity to evaluate and comment on the relinquishment to determine if it is in the State's best interest to release the land selection.

In anticipation of the passage of CAA 2023, UA reviewed certain state selected lands and requested DNR review for potential relinquishment. Agency reviews were conducted to gain information and perspective to determine if the State should consider relinquishment of selected lands. Multiple State agencies provided input for the northern Ray Mountains and southern Spooky Valley UA selections. Consideration of these reviews provided valuable information and helped define the area under consideration in this decision.

### **First and Second Ray Mountains Agency Review**

The proposed relinquishment documents were distributed to State agencies for review from 9/9/2022 through 10/7/2022 and 1/27/2023 through 2/3/2023. The following agencies or groups were included in those agency reviews and provided the following comments:

- **DNR Division of Oil & Gas:** DOG has no objection, as there are no interests on the land.
  - **DMLW Realty response:** Thank you for your comment.
- **ADF&G, Division of Wildlife Conservation:** ADF&G has no interests created on the lands described in this review request, however the Ray River supports anadromous Chinook and chum salmon and the University should be aware that any future construction or development will likely require ADF&G fish habitat permits for in water activities (water withdrawals, stream crossings, bridge construction, culvert installation, etc.).
  - **DMLW Realty response:** Thank you for your comment.
- **DNR Public Access and Assertion and Defense Section:** There are no RS 2477s within these townships. PAAD reviewed the Ray and Kanuti-Kilolitna Rivers and they were determined to be non-navigable in the selected area.
  - **DMLW Realty response:** Thank you for your comment.
- **Department of Transportation and Public Facilities:** The Agency Review Notice doesn't identify any DOT authorizations or rights. The property does not intersect the Dalton Highway and we have no material sites within it. – No comment, however, we would like more time to review this proposal so our Planning section could review it and comment.
  - **DMLW Realty response:** Thank you for your comment, additional review will be available during the public notice comment period.
- **DNR, DMLW, Mining Section:** This land would have great potential for the UA land selection, however if UA only takes the current selected land there could be management issues (Map 1). Without a well-defined deposit the only immediate resource extraction would be through placer mining which could need minimal infrastructure, but access to the site will either be through General State land, Federal land, or private. If an exploration project was able to be conducted and a hard rock mine determined to be feasible, support structures such as mill/processing plants/housing and other infrastructure would be needed outside the selected land and again on either General State, Federal land, or private.

If UA only takes this portion of the potential deposit, how will it support mining? If the State took the surrounding area currently State-selected land and the deposit extends on to it, would there be the possibility of arrangement like the Coal Unit Agreement, that the State currently holds with the UA and Mental Health Trust?

- **DMLW Realty response:** Thank you for your comment. Modifications to the original selections were made to address these and other concerns. Realty recommends retention of portions of the original Ray Mountains selection to maintain the State's interests in potential mineral deposits and ensure an access corridor remains in State ownership.
- **DNR, Division of Geological & Geophysical Surveys:** From a mineral resources perspective, DGGS recommends the SOA KEEP the Ray Mountains (RM) land block in the SOA's land-selection portfolio because DGGS determined the RM land block has high potential for placer

Rare-Earth Elements (REE) and tin (±other critical minerals). If the SOA ends up relinquishing the RM land block to UA, it would be in the best interests of the SOA to negotiate with UA to recoup the SOA's investment of ~\$175,000-\$200,000 in identifying the RM area as having high REE and tin potential (±other critical minerals).

RM Land Block's Mineral Potential: Several years ago, DMLW asked DGGS to evaluate the large block of state-selected land in the broad Ray Mountains area, and to narrow it down as much as possible to high-priority mineral-potential areas. DGGS spent ~\$175,000-\$200,000 of SOA funds conducting stream-sediment sampling (Bachman and others, 2013) and geologic mapping in the Ray Mountains area. Additionally, DGGS funded a graduate students work in the area so the SOA could better understand the area's mineral-resource potential (multiple Tuzzolino references below based on DGGS-funded work). DGGS concluded the RM land block has high potential for placer REE and tin (±other critical minerals).

The category 1,000-2,000 high priority areas for mineral potential shown in Aleria's document (Mining Memo\_UA Request\_Ray Mountain\_B1\_2.pdf) reflect the recommendations DGGS made to DMLW for the SOA to KEEP this land in its land selection portfolio. Within the last decade the RM area has been staked and geochemically sampled by industry (Ucore Rare Metals news release, 2014 July 21).

Adjacent SOA Land's Mineral Potential: There is potential for a lode source of REEs in adjacent land across the Dalton highway (Fort Hamlin Hills/NoName pluton; USGS ARDF) as well as southwest of the RM land block (Spooky Valley; USGS ARDF). DGGS funded a graduate students work in the No Name pluton area so the SOA could better understand the overall area's mineral resource potential (Tuzzolino, 2016). The U.S. Geological Survey's Alaska Resource Data File (ARDF; mineral deposits database) shows several mineral sites in the general area of the RM land block.

Potential for Negative Impact to Developing Adjacent SOA Land for Mineral Resources: Minor, but possible.

Supporting DGGS References:

- Bachmann, E.N., Blessington, M.J., Freeman, L.K., Newberry, R.J., Tuzzolino, A.L., Wright, T.C., and Wylie, William, 2013, Geochemical major-oxide, minor-oxide, trace-element, and rare-earth-element data from rocks and stream sediments collected in 2012 in the Ray Mountains area, Beaver, Bettles, Livengood, and Tanana quadrangles, Alaska: Alaska Division of Geological & Geophysical Surveys Raw Data File 2013-5, 4 p. <https://doi.org/10.14509/25386>
- Tuzzolino, A.L., O'Sullivan, P.B., Freeman, L.K., and Newberry, R.J., 2016, Zircon U-Pb age data, Ray Mountains area, Bettles Quadrangle, Alaska: Alaska Division of Geological & Geophysical Surveys Raw Data File 2016-7, 19 p. <https://doi.org/10.14509/29662>
- Tuzzolino, A.L., 2016, Compositional characteristics and ages of plutons in the central Ruby batholith, Alaska: implications for rare-earth-element resources: Fairbanks, Alaska, University of Alaska Fairbanks, M.S. thesis, 199 p.
- Tuzzolino, A.L., Newberry, R.J., Benowitz, J.A., Layer, P.W., and Freeman, L.K., 2014, 40Ar/39Ar data, Ray Mountains area, Bettles Quadrangle, Alaska: Alaska Division of Geological & Geophysical Surveys Raw Data File 2014-19, 12 p. <https://doi.org/10.14509/29124>
- Tuzzolino, A.L., Freeman, L.K., and Newberry, R.J., 2014, Geochemical major-oxide, minor-oxide, trace-element, and rare-earth element data from rock samples collected in 2013 in the Ray Mountains area, Bettles A-1 and A-6 quadrangles, Alaska: Alaska Division of Geological & Geophysical Surveys Raw Data File 2014-17, 3 p. <https://doi.org/10.14509>

- Tuzzolino, A.L., Newberry, R.J., and Freeman, L.K., 2014, The No Name Pluton: A potential rare-earth element (REE) resource in the Ruby Batholith, Alaska (presentation): Alaska Miners Association, 24th Biennial Mining Conference, Fairbanks, Alaska, April 7-13, 2014: Alaska Division of Geological & Geophysical Surveys, 30 p. <https://doi.org/10.14509/27286>
- Tuzzolino, A.L., Newberry, R.J., and Freeman, L.K., 2013, Rare-earth-element (REE) potential in the Ray Mountains area, central Alaska (poster): Alaska Miners Association Annual Convention, Anchorage, Alaska, November 4-10, 2013: Alaska Division of Geological & Geophysical Surveys, 1 sheet. <https://doi.org/10.14509/26781>
  - **DMLW Realty response:** Thank you for your detailed comment. Modifications to the original selections were made to address these and other concerns. Realty recommends retention the State's selection of portions of the original Ray Mountains UA selection to maintain the State's interests in potential mineral deposits and ensure State ownership of an access corridor to and through the Ray Mountains. There is no mechanism in the CAA 2023 or the Statehood Act to recover costs associated with DGGs's mineral exploration activities.
- **DMLW, Northern Region Office:** The primary values are mining and wildlife, in particular rare earths and caribou. I don't think I can make a recommendation as to whether to relinquish or not, as it needs to be balanced against our other potential selections. Mining/DGGs may have more helpful input on whether it's something we should try to hold on to or whether we can even object based on it being valuable.

There appears to be the Ray River Hot Spring (USS 12473) in the midst of the selection. I presume BLM would hold on to that regardless, but there is likely some recreational value in that and folks will likely want to continue to access that. I am guessing that is done via plane, as it's probably at least 20 miles upstream from the current agreed limits of navigability.

- **DMLW Realty response:** Thank you for your comment. The known mineral potential of these lands influenced the priority 1 and 2 ranking for potential State acquisition. Lands within USS 12473 have been patented by the federal government into private ownership. Executive Order 5389 and Public Land Order 399 prohibit the State from obtaining title to hot springs.
- **DMLW, Resource Assessment & Development Section:** The Ray Mtn area is not within an area plan boundary. No comment on this potential transfer.
  - **DMLW Realty response:** Thank you for your comment.

#### **Initial and Additional Spooky Valley Agency Reviews.**

The proposed relinquishment documents were distributed to State agencies for review from 3/20/2023 through 4/11/2023 and additional lands were included in a second review from 7/20/2023 to 8/21/2023. The following agencies or offices were included in these additional reviews and provided the following comments:

- **Alaska Department of Fish and Game, Division of Wildlife Conservation:** The Alaska Department of Fish and Game (ADF&G) reviewed the proposed relinquishment of 73,442 acres of state selected lands located west of the Dalton Highway near the Ray Mountains. If relinquished, the Bureau of Land Management intends to convey these lands to the University of Alaska. These lands (Batch #2) are within a portion of the following townships:
  - F10N17W and 18W
  - F11N17W
  - F12N17W and 18W
 These selected lands are within habitat critical to the Ray Mountain Caribou Herd (RMH). The RMH is a small non-migratory herd of 800-900 caribou that is important to the community of Tanana. The RMH calve in the tree-less high elevation areas of the Ray Mountains due to limited availability of suitable alternate locations (please see the attached comments and

recommendations from the ADF&G Division of Wildlife Conservation on this herd). Loss of habitat due to development would be detrimental to this small caribou herd. The land near the Ray Mountains, identified in this land selection is a critical area for subsistence hunting and gathering, particularly of caribou in the proximity of the Ray Mountains in the Kanuti-Kilolitna River drainage.

The ADF&G Subsistence Division has conducted comprehensive subsistence research in the community of Tanana in 2014 and in 1988, as well as a 5-year study that focused on the use and harvest of moose, caribou, black and brown bear by residents living in communities along the Middle Yukon and Koyukuk Rivers. Both of the comprehensive studies included household harvest surveys that estimated the harvest and use rates of all wild resources, ethnographic interviews with longtime residents and experienced hunters or fishers, and spatial data that documented the use areas associated with subsistence harvesting of each resource category.

In 2014, 9% of households used caribou, however caribou was, and continues to be, a vital supplementation for reduced salmon harvests by Tanana residents. Historically, caribou was used extensively by Tanana residents. Koyukon Athabascans in this area consider caribou a critical resource that has been historically used for food and clothing. In 2014, an elder interviewed for this study “noted that her parents would regularly hike up the Ray Mountains and would ‘hunt caribou all the time. There was always herds of caribou and they used to come back with caribou meat all the time’ (TAL 030820157). However, the respondent believes the migration patterns changed after the Trans-Alaska Pipeline was built. Caribou are no longer common in the Tanana area. For those that do search for caribou, hunting occurs in the fall and winter” (Brown et al. 2016 p 55-56). The spatial data gathered in this study demonstrates that the most significant harvest area of caribou by Tanana residents occurs in or within close proximity to the selected lands that are the subject of this review. Taken with the biological concern for the Ray Mountain Caribou Herd, as articulated by the Division of Wildlife Conservation, selection of this land may have consequences for the conservation of the Ray Mountain Caribou Herd and for the subsistence users who depend on caribou harvest.

Spatial data gathered in 1988 for the time period between 1968 and 1988 demonstrate historical use of the current land selection for brown bear and moose hunting as well as extensive trapping activity in that area. Trapping areas are passed down through family lines and, in Tanana are closely tied to the traditional practice of maintaining dog teams- a recognized subsistence practice under State statute. Restrictions to historic trapping areas could limit the generational transmission of knowledge and connection to traditional land use areas.

Harvest data gathered between 1997 and 2003 in Middle Yukon River communities documented harvest by GMU and subunit. This information is printed in tabular form in each year’s report. Tanana residents use 20F to hunt Caribou more than any other community. This further corroborates the spatial data described above. A land transfer in unit 20F would impact Tanana residents hunt patterns and ability to meet their needs for caribou particularly because caribou are not locally accessible elsewhere.

Subsistence report resources:

- See the attached species maps from the 1968-1983 surveys and the 2014 survey
- The link to the 2014 report can be found here: <http://www.adfg.alaska.gov/techpap/TP426.pdf>

Citation for the 1988 study:

- Case, M., and L. Halpin. 1990. Contemporary wild resource use patterns in Tanana, Alaska, 1987. Technical Paper No. 178, Alaska Department of Fish and Game. Juneau, Alaska.

Links to the 5-year study in the middle Yukon Area can be found here:

- <http://www.adfg.alaska.gov/techpap/tp245.pdf>
- <http://www.adfg.alaska.gov/techpap/tp251.pdf>
- <http://www.adfg.alaska.gov/techpap/tp278.pdf>

- <http://www.adfg.alaska.gov/techpap/tp280.pdf>

Additionally, although there are no anadromous fish species documented within this selection, the small tributaries in the vicinity of the selection likely support resident fish species such as Arctic grayling and ADF&G fish habitat permits may be required for any proposed in water activities (water withdrawals, stream crossings, bridge construction, culvert installation, etc..) should these lands be developed.

ADF&G recommends the State (DNR) retain this selection due to the importance of the habitat critical for the Ray Mountain Caribou Herd and to maintain the hunting, trapping, and subsistence opportunities for the community of Tanana.

- **DMLW Realty response:** Thank you for your comment. Realty Services notes that any proposed future use of the land would include a public process on the part of the UA. In addition, applicable State regulations would require permitting for most development projects and would also include a Federal permitting process. The final area for relinquishment was modified to balance the need to retain some areas as public lands.
- **DNR Division of Oil & Gas:** The Division of Oil and Gas objects to the proposed relinquishment. The area has moderate geothermal potential.
  - **DMLW Realty response:** Thank you for your comment. One of the purposes of the CAA 2023 land grant is for lands to provide the potential for revenue. As such, lands transferred to the University need to have potential value and resources, including potential geothermal resources that could power projects or neighboring communities. However, Federally designated Known Geothermal Resource Areas (KGRAs) are not available for conveyance to the State or UA under Executive Order 5389 and Public Land Order 399.
- **Department of Transportation and Public Facilities** “The Alaska Department of Transportation & Public Facilities has no comment at this time.”
  - **DMLW Realty response:** Thank you for your comment, additional review will be available during the public notice comment period.
- **DMLW, Northern Region Office:** The Northern Region Lands Section has no additional comments beyond the ones originally submitted with the first request for agency review of the Spooky Valley selections.
  - **DMLW Realty response:** Thank you for your comment.
- **DNR Public Access and Assertion and Defense Section:** PAAD has no comments.
  - **DMLW Realty response:** Thank you for your response.
- **DMLW, Resource Assessment & Development Section:** RADS has no objections to this proposed relinquishment of selected lands.
  - **DMLW Realty response:** Thank you for your response.
- **DNR, Division of Geological & Geophysical Surveys:** From a mineral-resources perspective, the State of Alaska (SOA) should keep the Spooky Valley and Kanuti Kilolitna River (SV-KKR) land blocks as their mineral-resource potential is high for lode and alluvial deposits containing rare-earth elements (REE) and tin (±other critical minerals). If the SOA ends up relinquishing the SV-KKR land blocks to UA, it would be in the best interests of the SOA to negotiate with the University of Alaska (UA) to recoup the SOA’s investment of ~\$175,000-\$200,000 in identifying the area as having high REE and tin potential (±other critical minerals). The SOA should also consider potential negative impacts to future mineral development on SOA selected land in the Ray Mountains land block (covering land with high mineral-resource-potential for alluvial REE-tin (±other critical minerals) deposits to the north and east) if UA were to develop its proposed SV-KKR land blocks for uses other than mineral development.



Spooky Valley and Kanuti Kilolitna River (SV-KKR) Land Blocks - Mineral Potential: Several years ago, the SOA's Division of Mining, Land, & Water (DMLW) asked DGGs to evaluate the large block of state-selected land in the general Ray Mountains area (including the Spooky Valley and Kanuti Kilolitna River land blocks [SV-KKR]), and to narrow it down as much as possible to high-priority mineral-potential areas. DGGs spent ~\$175,000-\$200,000 of SOA funds conducting rock, stream sediment, and pan-concentrate sampling (Bachman and others, 2013) and geologic mapping in the general Ray Mountains area. Additionally, DGGs funded a graduate student's work in the area so the SOA/DGGs could better understand the area's mineral-resource potential (see multiple Tuzzolino references listed below). DGGs concludes the SV-KKR land blocks have high potential for lode REE and tin (±other critical minerals).

The U.S. Geological Survey's (USGS) Alaska Resource Data File (ARDF; mineral deposits database) shows one lode mineral site and one placer-alluvial site within the SV-KKR land blocks.

Lode ARDF site: Unnamed (Spooky Valley)

[https://mrdata.usgs.gov/ardf/showardf.php?ardf\\_num=TN009](https://mrdata.usgs.gov/ardf/showardf.php?ardf_num=TN009)

Placer ARDF site: Unnamed (near Kilo Hot Spring)

[https://mrdata.usgs.gov/ardf/showardf.php?ardf\\_num=TN140](https://mrdata.usgs.gov/ardf/showardf.php?ardf_num=TN140)

The USGS ARDF record for Spooky Valley (TN009) does not include results from the more-recent work by DGGs in the area (figure 1). The Spooky Valley lode deposit area contains multiple REE-bearing rock samples over an area of about 8 miles by about 3 miles based on limited DGGs sampling; one sample near the Spooky Valley deposit contains 1,612 parts per million (ppm) Total REE+Yttrium, which is the highest value from the DGGs summer's mapping and sampling program in the broader Ray Mountains area (Bachman and others, 2013). In general, the mineral industry is interested in sites with rocks with Total REE+Yttrium values of 600 ppm or greater. Industry has continuously held mining claims over the Spooky Valley lode ARDF mineral site from at least as far back as 2017 to the present (2023), confirming a steady industry interest in this area.

Figure 1. Location of Spooky Valley and Kanuti Kilolitna River land blocks (outlined in light blue). Current mining claims are outlined in red. Location of lode and placer-alluvial REE-tin (±other critical mineral) deposits are labeled. Legend shows geochemical values for Total REE+Yttrium in ppm from DGGs samples (Bachman and others, 2013). The Spooky Valley lode deposit (TN009) is hosted in a geochemically favorable Cretaceous granitic intrusion shown in medium pink (Tuzzolino, 2016).

An unnamed placer-alluvial deposit (TN140) is reported to contain gold, tin, and tungsten by the USGS. DGGs documented that streams draining the Spooky Valley lode deposit (TN009) and its host pluton are anomalous in tin, REEs, and other critical minerals (Bachman and others, 2013).

Adjacent SOA-Selected Land's Mineral Potential: State-selected land, discussed in DGGs' "UA Batch 1 Ray River area" evaluation, has high potential for placer tin, REEs, and other critical minerals.

Potential for Negative Impact to Developing Adjacent SOA Land for Mineral Resources: Possible negative impact to state-selected land in the Ray Mountains land block (discussed in UA proposed 2023 land-selection batch 1) if UA developed their proposed land selection in Spooky Valley and Kanuti Kilolitna River area for non-mineral purposes.

Supporting References:

- Bachmann, E.N., Blessington, M.J., Freeman, L.K., Newberry, R.J., Tuzzolino, A.L., Wright, T.C., and Wylie, William, 2013, Geochemical major-oxide, minor-oxide, trace-element, and rare-earth-element data from rocks and stream sediments collected in 2012 in the Ray



Mountains area, Beaver, Bettles, Livengood, and Tanana quadrangles, Alaska: Alaska Division of Geological & Geophysical Surveys Raw Data File 2013-5, 4 p. <https://doi.org/10.14509/25386>

- Tuzzolino, A.L., O'Sullivan, P.B., Freeman, L.K., and Newberry, R.J., 2016, Zircon U-Pb age data, Ray Mountains area, Bettles Quadrangle, Alaska: Alaska Division of Geological & Geophysical Surveys Raw Data File 2016-7, 19 p. <https://doi.org/10.14509/29662>
- Tuzzolino, A.L., 2016, Compositional characteristics and ages of plutons in the central Ruby batholith, Alaska: implications for rare-earth-element resources: Fairbanks, Alaska, University of Alaska Fairbanks, M.S. thesis, 199 p.
- Tuzzolino, A.L., Newberry, R.J., Benowitz, J.A., Layer, P.W., and Freeman, L.K., 2014, 40Ar/39Ar data, Ray Mountains area, Bettles Quadrangle, Alaska: Alaska Division of Geological & Geophysical Surveys Raw Data File 2014-19, 12 p. <https://doi.org/10.14509/29124>
- Tuzzolino, A.L., Freeman, L.K., and Newberry, R.J., 2014, Geochemical major-oxide, minor-oxide, trace-element, and rare-earth element data from rock samples collected in 2013 in the Ray Mountains area, Bettles A-1 and A-6 quadrangles, Alaska: Alaska Division of Geological & Geophysical Surveys Raw Data File 2014-17, 3 p. <https://doi.org/10.14509>
- Tuzzolino, A.L., Newberry, R.J., and Freeman, L.K., 2014, The No Name Pluton: A potential rare-earth element (REE) resource in the Ruby Batholith, Alaska (presentation): Alaska Miners Association, 24th Biennial Mining Conference, Fairbanks, Alaska, April 7-13, 2014: Alaska Division of Geological & Geophysical Surveys, 30 p. <https://doi.org/10.14509/27286>
- Tuzzolino, A.L., Newberry, R.J., and Freeman, L.K., 2013, Rare-earth-element (REE) potential in the Ray Mountains area, central Alaska (poster): Alaska Miners Association Annual Convention, Anchorage, Alaska, November 4-10, 2013: Alaska Division of Geological & Geophysical Surveys, 1 sheet. <https://doi.org/10.14509/26781>
- USGS ARDF: [https://mrddata.usgs.gov/ardf/show-ardf.php?ardf\\_num=TN009](https://mrddata.usgs.gov/ardf/show-ardf.php?ardf_num=TN009)
  - **DMLW Realty response:** Thank you for your detailed comment. Modifications to the original selections were made to ensure the deposit areas were encompassed by either UA or State selections in a manner intended to balance State and University interests and other concerns. Realty recommends retention of portions of the original Ray Mountains UA selection to maintain the State's interests in potential mineral deposits and ensure State ownership of an access corridor to and through the Ray Mountains. This seeks to balance the State's interest in acquiring valuable resources and access to them while also helping fulfill the endowment of the State's land-grant university. There is no mechanism in the CAA 2023 or the Statehood Act to recover costs associated with DGGs's mineral exploration activities.

## IX. Public Comment

Public notice of the proposed relinquishment was conducted from June 19, 2023, through August 23, 2023, and extended to September 8, 2023, to allow more opportunity for comment. The notice was posted to the State of Alaska Online Public Notice System. Copies of the notice were sent to the University of Alaska, the Tanana and Rampart US Post Masters, Doyon, Ltd., the Tanana Chiefs Conference, Tozitna Ltd., Too-Gha, Inc, Baan O Yeel Kon Corp., the City of Tanana, Tanana Village, Rampart Tribal Council, the BLM Central Yukon Field Office, the BLM Adjudication Services Section, the Kanuti National Wildlife Refuge, Contango Ore, Inc., Landmark Alaska Limited Partnership, Alaska Industrial Development and Export Authority (AIDEA), Alaska Department of Natural Resources Commissioners Office, Alaska State legislature, adjacent landowners, and interested private parties.

Public comments and DNR responses are provided here. Comments are addressed individually below.

Release of State Interest: University of Alaska land selection, Spooky Valley area  
December 15, 2023

- **Comment:** The U.S. Fish and Wildlife Service (Service) has reviewed the referenced Public Notice requesting the transference of 96,406 acres of lands managed by the Bureau of Land Management (BLM) to the State of Alaska for conveyance to the University of Alaska. This group of seven Townships is located west of the Dalton Highway, three quarters are comprised of portions of the Ray Mountains which encompasses the Spooky Valley. The parcel drains portions of the Kanuti watershed (hydrologic unit code 19040604), mainly the Kilolitna-Kanuti River and its headwaters draining north to the Kanuti National Wildlife Refuge (NWR). The Ramparts watershed (hydrologic unit code 19040404) with Hula Creek comprise headwaters of the Big Salt River flowing to the east, and the Tozitna River watershed (hydrologic unit code 19040607) headwaters of Kobuk and Gishna Creeks draining the Ray Mountains to the south.

Potentially Affected Fish and Wildlife Trust Resources: The Service's trust resources are natural resources we are entrusted to protect for the benefit of the American people. Within the proposed project area these resources may include species listed as threatened or endangered migratory birds including bald and golden eagles, inter-jurisdictional fish, wetland and upland habitats used by these species, and lands managed by the Service (e.g., Kanuti NWR).

Kanuti National Wildlife Refuge: The proposed land conveyance is directly adjacent to and upstream of the Kanuti NWR. This refuge was established with conservation goals outlined in the Alaska National Interest Lands Conservation Act (16 U.S.C. 410(h)(h)-3233; 43 U.S.C.1602-1784) to:

1. Conserve fish and wildlife populations and habitats in their natural diversity, including but not limited to canvasbacks and other migratory birds; Dall sheep; bears; moose; wolves, wolverines and other furbearers; caribou (including participation in coordinated ecological studies and management of the Ray Mountains caribou herd); and salmon;
2. Fulfill the international treaty obligations of the United States with respect to fish and wildlife and their habitats;
3. Provide, in a manner consistent with the purposes set forth in subparagraphs (i) and (ii), the opportunity for continued subsistence uses by local residents; and ensure, to the maximum extent practicable and in a manner consistent with the purposes set forth in paragraph (i), water quality and necessary water quantity within the refuge;
4. Ensure, to the maximum extent practicable and in a manner consistent with the purposes set forth in paragraph (i), water quality and necessary water quantity within the refuge.

Supporting subsistence is a substantial concern for the Service, both on and off the Refuge system. The proposed land conveyance is part of the traditional range of Ray Mountains Caribou Herd, which is a small, isolated, non-migratory herd. As well, the State of Alaska Department of Fish and Game has documented the presence of Chinook (*Oncorhynchus tshawytscha*) and Chum (*O. keta*) salmon which are interjurisdictional fish species, in the Kanuti-Kilolitna River (ADFG 2022: AWC# 334-40-11000-2125-3600-4100) which flows northward into the boundaries of Kanuti NWR. Though the Upper Kanuti River is not listed as an anadromous stream, it is nonetheless of crucial importance to subsistence fishers.

Water quality and quantity are important to trust resources in the Spooky Valley and Ray River area which are part of the off-refuge headwaters of Kanuti NWR refuge. The pending BLM Draft Environmental Impact Statement for the Central Yukon Resource Management Plan (CYRMP: BLM 2020) recognized the importance of placing protections for water quality and quantity on these watersheds. The CYRMP acknowledges the negative effects certain activities (e.g., mineral extraction, transportation routes) would have to downstream sensitive areas and the possibility that these actions could affect maintenance of fish spawning, rearing, and overwintering areas on refuges and federally managed fisheries waters. Also recognized was the extremely high value ranking of the Kanuti-Kilolitna and Tonzitna Rivers watersheds<sup>11</sup> fed by headwaters in the

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<sup>1</sup> [https://eplanning.blm.gov/public\\_projects/lup/35315/138752/170781/Aquatic\\_Resource\\_Map.pdf](https://eplanning.blm.gov/public_projects/lup/35315/138752/170781/Aquatic_Resource_Map.pdf)

proposed conveyance parcel. These were in the highest ranked category<sup>2</sup> for importance to fish species presence (diversity), salmon and non-salmon diadromous species spawning habitat, and the presence of unique or rare fishery resources or habitat, and they rely upon multiple headwater streams in the parcel for this status. To avoid and minimize future negative effects to these critical aquatic resources, protective designations (Resource Natural Areas and Areas of Critical Environmental Concern: BLM 2015) were proposed for parts of the proposed land conveyance.<sup>3</sup> Other Trust Resources: One BSA-listed species, the wood bison (*Bison bison athabascaae*) may occur within the project area but are listed as a Nonessential Experimental Population under section 10(j) of the ESA.<sup>4</sup> It does not have a designated critical habitat, and no consultation is necessary at the present.

Golden eagles (*Aquila chrysaetos*) occur throughout much of Alaska, including within the proposed area. The Service (Saperstein 1999) and joint Service/BLM float trips (Saperstein 2000) of the Kanuti-Kilolitna River have documented Golden Eagle occupancy/nesting within the area.

About 115 bird species migrate through, nest, and/or overwinter within the Ray Mountains and vicinity around Kanuti NWR.<sup>5</sup> Alaska's boreal region, which contains 11% of North America's boreal forests and 25% of continental boreal alpine areas such as the Ray Mountains (Brandt 2009), is an extremely important refugia for maintaining nesting, refueling and breeding areas across migratory routes.

Depending on how this parcel will be used by the University, there is great potential for invasion by unwanted species. The nearby Dalton Highway corridor is highly infested with white-sweet clover (*Melilotus albus*), and bird-vetch (*Vicia cracca*). Avoidance of spread, and eradication, if appropriate, should be part of every decision across multiple-use units in the area of the proposed land conveyance because they pose a high risk of bringing invasives from nearby infestations.

Recommendations: The Service appreciates the opportunity to give feedback on this land conveyance proposal. Impacts that could affect watersheds upstream of Kanuti NWR, alter habitat connectivity and/or diminish water quality and quantity would be of upmost concern for the Service. We recommend the State retain the conservation measures included in the recent drafting process of the CYRMP (BLM 2020). These management strategies were vetted by public review with input throughout the NEPA process including state and federal agency coordination. Many stakeholders were involved in developing the previous and proposed revision of the CYRMP and we recommend the State honor the CYRMP conservation measures. We urge the BLM to take every opportunity possible to guarantee that water quality and quantity will be maintained in conveyed, State managed watersheds that feed our refuges and federally managed fisheries. The Service maintains the BLM has a responsibility and right to convey this selection by establishing durable conservation measures within riverine floodplains as per Executive Order 11980, Floodplain Management Sec.3(d). Measures should include the designation of appropriate-sized buffers to accommodate appropriate development but keep future impacts a reasonable distance from critical or sensitive water resources so downstream water quality and quantity impacts will be minimized. We believe valuable conservation measures were developed during the crafting of the CYRMP and will act as important guiding documents for the University of Alaska if these lands are conveyed to the State.

Conclusion: We appreciate this opportunity for comment, and we would welcome a discussion regarding our comments and recommendations. Our comments are based on the information

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<sup>2</sup> [https://eplanning.blm.gov/public\\_projects/lup/35315/138753/170782/Aquatic\\_Resource\\_Value\\_Model.pdf](https://eplanning.blm.gov/public_projects/lup/35315/138753/170782/Aquatic_Resource_Value_Model.pdf)

<sup>3</sup> [https://eplanning.blm.gov/public\\_projects/lup/35315/66005/71748/2015-11-24\\_CYRMP\\_ACEC-Rpt\\_Final\\_508\\_reduced.pdf](https://eplanning.blm.gov/public_projects/lup/35315/66005/71748/2015-11-24_CYRMP_ACEC-Rpt_Final_508_reduced.pdf)

<sup>4</sup> <https://ipac.ecosphere.fws.gov/location/6ZOE6DBEOZGVRHKS27EGZK6YE/resources#endangered-species>

<sup>5</sup> <https://avibase.bsc-eoc.org/checklist.jsp?region=USakyu03>

provided in this public notice. Should the plans change, we would appreciate an opportunity to review the changes.

- **DMLW Realty response:** Thank you for your comment. Realty Services notes that the CYRMP has not been finalized and the management guidelines within it do not apply to BLM managed lands until it has been finalized. The CYRMP will have no bearing on non-Federal lands. It would be inappropriate for the State or University to substitute the CYRMP for their own statutorily required land management plans. Realty believes the Executive Order (E.O.) cited in this comment may be E.O. 11988, as E.O. 11980 established a commission on the observance of International Women's Year, 1975. Realty Services notes that the CAA 2023 has no provision for a relinquishment to retain or include conservation measures or easements. Relinquishment or retention of the State's existing selections are the only actions available to DNR under the law. Realty Services does not agree that E.O. 11988 is applicable to lands granted to the State of Alaska—or the University of Alaska—under the Alaska Statehood Act or CAA 2023.
- **Comment:** This letter provides comment on the public notice issued by the Department of Natural Resources on the proposed Spooky Valley land transfer in central Interior Alaska. We understand that the State of Alaska, Department of Natural Resources is proposing to conditionally relinquish their interest in approximately 96,000 acres of land in an area that is within the traditional land domain of member Tribes of Tanana Chiefs Conference (TCC). By disclaiming an interest in the said acreage, it is anticipated that the Bureau of Land Management (BLM) will initiate a land transfer to the University of Alaska, a land grant institution.

TCC is a regional service provider for 37 federally recognized Tribes and five village associations in Interior Alaska. The proposed land transfer poses potential user conflicts with tribal governments in the area of Spooky Valley located north of the central reach of the Yukon River. The Tribal governments of Tanana, Rampart and Stevens Village and possibly other villages on the Koyukuk River likely possess an interest in the proposed land transfer. There are also several Koyukon ethnographic place-names attributed to the headwaters of the Tozitna River and Ray Mountains area where Spooky Valley is located. Since one or more of those villages possess ancestral ties to the Ray Mountains, they should be consulted about cultural resources, historic and contemporary use areas and other cultural values.

The BLM designated the Spooky Valley area as a Natural Resources Area (NRA) in their 1986 resource management plan. That designation recommended special management for wildlife, special species status, vegetation and geology in the area. It also mentioned Alaska Native spiritual values in the area and we believe there are ancestral stories tied to Spooky Valley. The BLM NRA nomination also referenced Spooky Valley's crucial support of the richest association of avian fauna in the Ray Mountains and recognized the area's importance to caribou habitat. And, finally, BLM's description of the Spooky Valley geography also acknowledged the rare earth elements present in the Spooky Valley area and state mining claims cover certain parts of the area.

In reference to BLM procedures, an area of critical environmental concern is defined as: Special area designation established through the BLM's land use planning process (43 CFR 1610.7-2). It designates where special management attention is required, when such areas are developed or used or where no development is required. The intent is to protect and prevent irreparable damage to important historic, cultural, or scenic values, fish and wildlife resources, or other natural systems or processes or to protect life and safety from natural hazards. The level of allowable use within an ACEC is established through the collaborative planning process. Designation of an ACEC allows for resource use limitations to protect identified resources or values.

A conditional relinquishment of a DNR land selection status would not by itself result in a land transfer. We anticipate future public notifications and administrative procedures would be initiated by the State of Alaska to conform to their Yukon-Tanana Area Plan, and by the Bureau of Land

Management to conform to their Central Yukon Resource Management Plan and related resource management procedures.

- **DMLW Realty response:** Thank you for your comment. The purpose of this relinquishment is to facilitate the transfer of these lands to the UA pursuant to the CAA 2023. The conveyance will be completed by BLM under the regulations for the Statehood Act entitlement program. Because the lands are not currently owned by DNR the Y-TAP has no bearing on the land conveyance. Once the lands are conveyed to the University, the Y-TAP will be modified to exclude these lands, as it only applies to lands managed by the DNR. The University will manage the land according to their policies and guidelines. The CYRMP has not been finalized and may not apply to the University's land transfer. The designation of Spooky Valley as a NRA under the BLM management plan does not prohibit the conveyance of the lands to UA under the Statehood Act.
- **Comment:** This letter is regarding the proposed action by the state of Alaska to relinquish identified lands in the Ray Mountains to the BLM. We understand that this action is being proposed to facilitate the transfer of federal lands to the University of Alaska to fulfill the University's federal land grant.

A recent article in the Fairbanks Daily News-miner dated July 23, 2023, states that this land transfer will be approximately 100,000 acres. The article also states that the BLM will transfer the land directly to the University of Alaska. Possible uses noted in the article range from preservation of this land from development to mining, logging and possible construction.

The Stevens Village Tribal Council speaks on behalf of the Stevens Village Tribal members. The Ray Mountain watershed and tributaries are part of our Ancestral homelands. Our people have utilized this area for generations and have protected this area using traditional knowledge passed down from our elders. Our goal is to continue protection of this area for generations to come.

The importance of our Ancestral lands has been meticulously documented in the following documents: 1) Comprehensive Land Use Plan for the Traditional Lands of Stevens Village, 1991, and 2) Stevens Village Land Use Plan, Ethnogeography of Ancestral Lands, and Integrated RMP, 1999.

The Spooky Valley is within the traditional land boundaries of the villages of Tanana, Rampart and Stevens Village. Several Native allotments and fish camps are located at the confluence of the Yukon River and the Little Salt, Big Salt, and the Ray Rivers. Any industrial activity, mining, large development, or unchecked resource use in this area could cause harm to natural resources in this area, thereby negatively impacting the people that have relied on this area for generations. This is not "unused land" as described in the Fairbanks Daily News-Miner's 7/23/23 article.

We realize this is a unique situation where the DNR is relinquishing land selected to the BLM and that the BLM will complete the transfer to the University of Alaska. The Stevens Village Tribal Council will continue to monitor the proposed lands transfer. We will also be requesting Tribal consultation on this matter and will be submitting additional comments. Thank you.

- **DMLW Realty response:** Thank you for your comment. While no mechanism exists for formal, State government to Tribal government consultation as part of the relinquishment process, Realty Services believes the public notice process provides a formal means of consultation. Additional opportunities for consultation may exist during the federal land transfer process.
- **Comment:** On behalf of the University of Alaska Board of Regents, I would like to express our support for the Land Grant Initiative, including the transfer of the first set of selections of the Ray Mountains that includes Spooky Valley. After the board's recent meeting, the board felt compelled to reiterate the need for a timely transfer.

While robust state support will continue to be necessary for Alaska's only public university system (UA) to meet its mission, the Land Grant is key to UA's future as it strives for fiscal stability. The largest beneficiary of the proceeds from UA land holdings is the UA Scholars Program, which awards \$12,000 scholarships to the top ten percent of high school graduates in Alaska each year. This long overdue conveyance of outstanding lands will secure this important investment in Alaska's future.

The UA Land Management team manages a blended portfolio of natural resource development, land sales and leases, and alternative revenue streams, including a potential carbon sequestration program. The plan for the Land Grant parcels will be no different. Any development activity on UA land holdings, either current or future, will have an accompanying public notice.

The University of Alaska is committed to listening to all who have an interest in the Land Grant initiative and potential selections. To this end, UA Land Management created a special section of its website with current updates and the history of the Land Grant. UA is also committed to additional proactive outreach in the communities with potential land selections.

Through the University of Alaska Board of Regents' Facilities & Land Management Committee, the board oversees the management of its assets to provide education for the next generation of Alaskan leaders. The timely finalization of UA's outstanding Land Grant is an important step in that direction.

- **DMLW Realty response:** Thank you for your comment.

## **X. Discussion and Alternatives**

The University has sought additional lands to complete its territorial land grant for several decades but has been thwarted by legal restrictions in the Statehood Act and the State Constitution. Previous attempts to rectify the land grant deficit were defeated in court and resulted in Congressional action within the CAA 2023. Congressional intent is for lands to be transferred to the University to complete the entitlement originally intended for conveyance under the Statehood Act and to provide economic opportunities for the University. DNR must consider and weigh its own and the public's interests in retaining or relinquishing land selections while supporting the University's interests in new land entitlement. Such interests include resource development, conservation, consideration of existing land uses, and public access consistent with the public interest. In general, there must be an overarching benefit to Alaskans to defeat the Congressional intent in the CAA 2023. Any decision DNR makes must balance these interests: providing valuable lands to the University without undue harm to the interests of Alaskans.

The surrounding lands are a mixture of Federal public lands managed by BLM, the U.S. Fish and Wildlife Service (FWS), private ANCSA Native lands, small private inholdings, and state-selected public lands. Relinquishment of the state-selected lands to facilitate conveyance to the UA is keeping in character with the surrounding mixed private and public land ownership pattern.

Current land uses include subsistent hunting, fishing, and trapping, mineral exploration, and remote recreation. Subsistent activities continue on adjacent public lands held by the DNR, BLM, and the FWS. It is unclear how subsistence and other hunting and fishing opportunities would be impacted should the lands be conveyed to the University. Areas near the hot springs see sporadic public use for recreation; such use is currently allowed on UA lands with an applicable permit. Some areas within the parcel may be areas of cultural significance for Native groups or may be associated with areas of past subsistence. Mineral exploration activities in the area began in the early-mid 1900's and are ongoing. There are no RS 2477 trails or navigable rivers within the selection area. Overall, these lands are undeveloped with very few permits issued to non-governmental entities or organizations.

The University initially expressed interest in a larger land area encompassing two blocks of land north of the Ray Mountains near the Kanuti National Wildlife Refuge, then continuing southerly in a contiguous block to the southern portion of the Spooky Valley area. Agency reviews voiced concern with the original selection because it denied State ownership of any potential REE deposits, restricted access to high priority mineralized areas west of the Ray Mountains, and might limit public hunting and subsistence



opportunities in a large area. After working with the University and agency stakeholders, the area considered for relinquishment was reduced to the lands in the southern portion of the Ray Mountains and an expanded area around Spooky Valley. This area presents a relatively compact tract of land containing known mineral deposits, geothermal potential, and sustainable land use opportunities. This selection strikes a balance between providing valuable lands to UA while maintaining State selection and ownership of an access corridor easterly from the Dalton Highway to and through the Ray Mountains and lands valuable for wildlife habitat, natural resources, subsistence, and hunting and fishing.

Agency reviews noted the habitat, hunting, fishing, and subsistence values of the selected lands. Balancing development, access, subsistence use, public recreation, and wildlife habitat are challenges that must be addressed when managing the Spooky Valley lands, irrespective of ownership. This balance is achieved through the development of land management plans, clear land use guidelines and regulations, and a robust public notice process. Relinquishment of state-selected lands would not allow unrestricted development by the University. Many large-scale projects and developments require State and Federal permits regardless of land ownership. Most development projects also require extensive studies and public consultation before a project is approved. The final Spooky Valley selection balances these competing interests by retaining a significant portion of the original Ray Mountains UA selection as state-selected lands.

Agency reviews showed the area contains known deposits of rare-earth minerals (REEs), some of which are classified by the U.S. Government as critical and strategic minerals. Development of these minerals would provide economic opportunities for the University, the economy, and are critical for manufacturing and clean energy technologies. University ownership of the REE deposits, in conjunction with DNR ownership of adjacent deposits in the Ray Mountains, could incentivize development and provide shared benefits to both DNR and the University. Resource development may also contribute to furthering in-state educational opportunities to those enrolled at the university. University acquisition of an area of mineral deposits provides benefits to the State of Alaska by securing a potential source of long-term revenue to the University and jobs for Alaskans with the potential of economies of scale benefiting the potential development of resources on adjacent State-owned lands. Because one of the purposes of the land grant under CAA 2023 is to provide valuable lands to UA, the value of lands alone does not constitute a reason to refuse relinquishment.

There are numerous “at risk” mining claims located on these lands. Such claims are initiated under Alaska Statute 38.05.275 and 11 AAC 86.115 of the Alaska Administrative Code. The claims are not valid until DNR acquires title to the lands. The claims do not confer an interest in the lands and will be terminated if the lands are not conveyed to DNR. Areas of potential geothermal resources will be reviewed by BLM to determine if the lands are available for conveyance under the Statehood Act. Lands found to be valuable for geothermal use or within areas of KGRA’s are not available for conveyance under the Statehood Act per Executive Order 5389 and Public Land Order 399.

The lands described in Sec. VI represents a large, compact, and contiguous block of land. Conveyance of larger blocks of land generally simplifies land and resource management. Large blocks help enable landscape level considerations when land use authorizations are proposed. It helps the public understand land boundaries and acquire any relevant permits prior to land use. Additionally, it may reduce the potential for user confusion and conflict across areas of mixed land ownership.

Additional concerns included the potential loss of State revenue provided by development of the REEs. The purpose of the CAA 2023 is to provide new entitlement land and potential revenue sources for the University. The high mineral potential, geothermal potential, and sustainable land use opportunities of the Spooky Valley lands supports the Congressional intent in the land transfer legislation. State retention and ownership of the lands north of the Spooky Valley selection should provide future State revenue potential if the REE deposits are developed.

DNR has previously determined it is in the State’s best interest to retain its selection on a portion of the northern Ray Mountain selection. DNR notes that the CAA 2023 does not require the State to relinquish state-selected land and consideration of any UA selection by the State is optional. Therefore, the

administrative decision to exclude the northern portion of the original UA Ray Mountains selection was proper and is not part of this decision. In cooperation with UA, Realty expanded the Spooky Valley selection to include additional adjacent areas of high mineral potential, creating the parcel of lands described in Sec. VI.

The State considered the following alternatives in adjudicating the request for relinquishment:

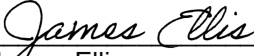
**Alternative 1:** Maintain State land selection and decline to relinquish the selection in whole or part.

**Alternative 2:** Conditionally relinquish the selection in part, as described in Section VI and retain the State's selection on all other lands. Relinquishment will be finalized upon conveyance of the lands to the University of Alaska.

### **XI. Decision**

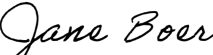
This decision considers all public and agency review comments received. After considering the facts and input described above, the Department finds it is in the best interest of the State to choose Alternative 2, and to conditionally relinquish the lands described in Section VI to allow the Bureau of Land Management to convey these lands to the University of Alaska.

Recommended by:

  
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James Ellis  
Natural Resource Specialist 3  
Realty Services Section  
Division of Mining, Land and Water  
Department of Natural Resources


12/15/2023  
\_\_\_\_\_  
Date of Signature

Approved by:

  
\_\_\_\_\_  
Jane Boer  
Realty Services Section Chief  
Division of Mining, Land and Water  
Department of Natural Resources

12/20/2023  
\_\_\_\_\_  
Date of Signature

Approved by:

  
\_\_\_\_\_  
Commissioner Boyle  
Department of Natural Resources

1/12/2024  
\_\_\_\_\_  
Date of Signature

### **Reconsideration**

An eligible person affected by this decision, and who provided timely written comment or public hearing testimony to the department, may request reconsideration to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any request for reconsideration must be received by the Commissioner's Office within twenty (20) calendar days after issuance of the decision under 11 AAC 02.040. The Commissioner may order or deny a request for reconsideration within thirty (30) calendar days after issuance of the decision.

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If the Commissioner takes no action on a request for reconsideration within thirty (30) days after issuance of the decision, the request for reconsideration is considered denied. The Commissioner's decision on reconsideration, other than a remand decision, is a final administrative order and decision of the department. An eligible person must first request reconsideration to the Commissioner before seeking relief in superior court. The Alaska Court System establishes its own rules for timely appealing final administrative orders and decisions of the department.

Reconsideration may be mailed or hand-delivered to the DNR Commissioner's Office, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; or faxed to (907)-269-8918 or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). Reconsideration must be accompanied by the fee established in 11 AAC 05.IG0(d)(I)(F), which has been set at \$200 under the provisions of 11 AAC 05.IG0(a)-(b). A copy of 11 AAC 02 is available on the department's website at <https://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf>.

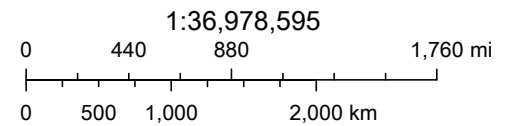
# Spooky Valley Parcel Statewide



General location of Spooky Valley Parcel

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- Trans-Alaska Pipeline - Trans Alaska Pipeline System
- DOT Trails Inventory 1973
- ..... RS2477 Historic Transportation Routes

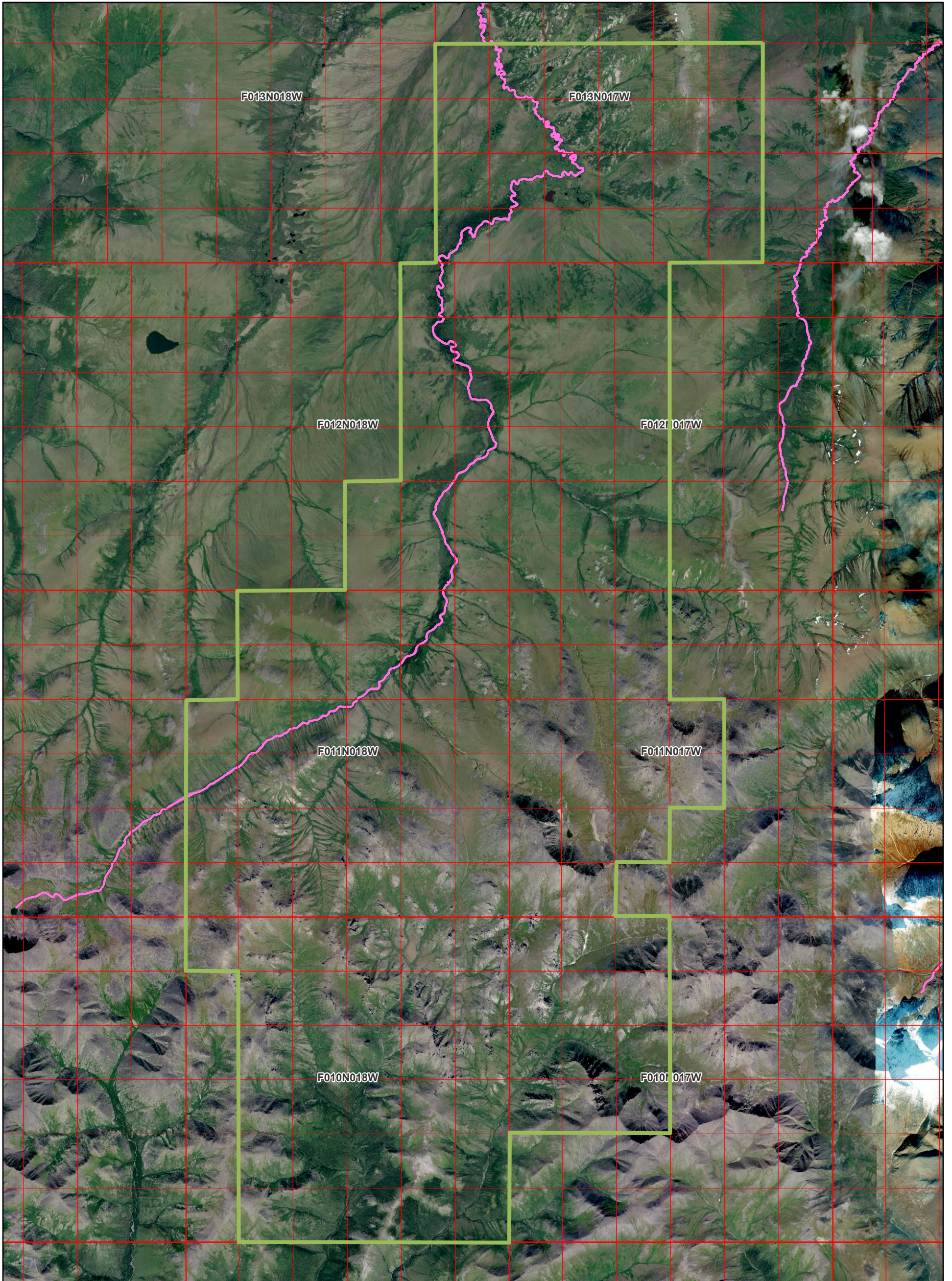


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Realty Services Section  
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# Spooky Valley Parcel



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— Spooky Valley Parcel

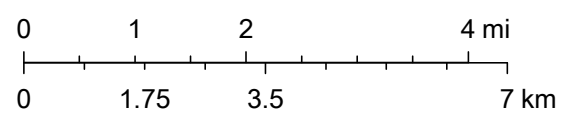
□ Sections

□ Townships

Navigable Streams (Title Purposes)

— Unknown

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Bureau of Land Management (BLM), Alaska State Office  
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Alaska Department of Natural Resources