

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
SOUTHCENTRAL REGIONAL LAND OFFICE

LEASE EXTENSION DECISION

**Kyle Kolodziejksi d.b.a.
Aleutian Adventures
ADL 228277
AS 38.05.070(f)**

Decision to Extend Lease:

Aleutian Adventures LLC. (AA) has applied to the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW), Southcentral Regional Land Office (SCRO) to renew a current long-term lease located 1/2-mile Northeast of the old townsite of Ilnik, Alaska. The lease expired on May 31, 2024. DMLW has made the decision to extend the lease for a maximum of two years pursuant to AS 38.05.070(f)(2). This will allow DMLW time to consider the application of the lease.

Scope of Decision:

The scope of this decision is to determine if it is in the State's best interest to extend the lease for AA for a period of two years for continued lease utilization and to allow time to consider the application.

Authority:

In accordance with AS 38.05.070(f), a lease may be extended once for a period up to two years. This lease extension is being adjudicated pursuant to AS 38.05.070, Generally.

Administrative Record:

The administrative record for the proposed action consists of the Constitution of the State of Alaska, the Alaska Land Act as amended, applicable statutes and regulations referenced herein, the 2013 Bristol Bay Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 228277.

Legal Description, Location, and Geographical Features:

The state land where this proposed lease is located is described as follows:

- **Legal description:** NW 1/4 of the SW1/4, Section 25, Township 41 S, Range 66 W, Seward Meridian, Alaska

- **Geographical location:** 1/2 mile Northeast of old townsite of Ilnik, AK
- **Approximate Lat/Long:** 56° 36.0575' N, 159° 36.5716' W
- **Area geographical features:** Mixture of low-lying terrain, low shrub and tall grasses, sandy soil and adjacent wetlands
- **Existing surveys:** Tract B of U.S. Quadrangle Survey (302)
- **Municipality/Borough:** Aleutians East Borough
- **Native Corporations/Federally Recognized Tribes:** Bristol Bay Native Corporation
- **Size:** 0.99 acre(s), more or less

Title:

SCRO requested a title report from DMLW's Realty Services Section on May 2, 2024, which was not received at the time of this decision. The lands have previously been determined to be state-owned in the 2003 Preliminary Decision. A DNR Title Report (RPT-5266) issued on March 24, 2014, from DMLW's Realty Services Section determined that the State of Alaska holds fee title to the subject land under GS-1801 dated September 20, 1982, aside from the usual reservations for ditches, canals, railroads, telegraph and telephone lines, and water rights.

Adjacent Landowners, Native Corporations or Borough:

The leasehold is within the Aleutians East Borough, though no borough lands are impacted. The lease site is within the Bristol Bay Native Corporations (BBNC) boundaries, though no corporation lands are impacted.

Third-Party Interests:

There are no known third party interests currently.

Planning and Classification:

The project area is subject to the 2013 Bristol Bay Area Plan, Region 18, Management Unit R18-T-01: Seal Islands (map number 3-18). The classification for the proposed lease is Ha. - Habitat and Hv. - Harvest, which both convert to a classification of Wildlife Habitat Land. The management intent for this unit notes the habitat sensitivity for wildlife such as brown bears, seabird colonies, and being a concentrated area for seal haul out. While lease authorizations are not prohibited, they are not encouraged. An agency review was submitted for comments to the US Fish and Wildlife service (USFWS), National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service (NMFS). The comments received from NOAA/NMFS were that , "The 2017 publication of the Stock Assessment Report identifies the Bristol Bay seal population as 44,781 seals. It is not expected that fishing along the Ilnik River will affect the harbor seals hauled out on the Seal Islands along the Alaska Peninsula, in Bristol Bay."

We received no objections to the planned use of this site from either agency.

This extension will allow continued utilization of the lease site while an agency review and public notice process is conducted in consideration of Aleutian Adventures' current request. In accordance with 11 AAC 55.040(c), the project does not conflict with the classification.

Access:

Access to this site is via small, wheeled aircraft, float plane or boat. Boats and wheeled aircraft can land on the ocean beach and float planes can land on the navigable Ilnik River.

Nearly all shore and tidelands in the state of Alaska are subject to a To and Along Easement (AS 38.05.127 and 11 AAC 51.405(c)). The purpose of this easement is to uphold the constitutional right of the public to have free access to, and use of, the state's waterways. At this site, the Along Easement is 50' above ordinary high-water line of the Ilnik River.

Hazardous Materials and Potential Contaminants:

A site inspection was conducted by DMLW personnel on September 23, 2015. No compliance issues were observed. The structures appeared well maintained.

Hazardous materials onsite include:

- One 100-pound liquid propane gas (LPG) tank for cooking
- One 55-gallon fuel drum of diesel heating fuel
- Human waste will be disposed of by two 4'x4' pit style outhouses.
- A small gasoline powered generator will be utilized for power.

The use and storage of all hazardous substances must be done in accordance with existing federal, state, and local laws. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the lease site and disposed of in accordance with state and federal law.

Lease Performance Guaranty (bonding):

In accordance with AS 38.05.035, AS 38.05.860, and 11 AAC 96.060(a) Performance Guaranty, AA has an existing \$5,000.00 bond on file. In order to meet the \$10,000.00 bond amount, the remaining \$5,000.00 surety bond will be part of the deliverables in order for future authorizations to be approved.

- **\$10,000 Performance Bond:** This bond will remain in place for the life of the extension. The bond amount is based upon the level of development, amounts of hazardous material and/or substances on site, and the perceived liability to the State. This bond will be used to ensure the applicant's compliance with the terms and conditions of the lease issued for their project. This bond amount will be subject to

periodic adjustments and may be adjusted upon approval of any amendments, assignments, reappraisals, changes in the DP, changes in the activities conducted, or changes in the performance of operations conducted on the authorized premises, and because of any violations to one or more of the authorizations associated with this project.

- **Reclamation Bond:** SCRO is reserving the right to require a reclamation bond due to noncompliance issues during the term of the lease or near the end of the life of the project.

Insurance:

In accordance with the terms of the current lease, AA will be required to submit proof of liability and worker's compensation insurance to SCRO, with the State of Alaska listed as a "NAMED" insured party. AA will be responsible for maintaining such insurance throughout the term of the lease.

Public Notice:

Pursuant to AS 38.05.070(g) the department shall provide public notice of the extension decision. Public notice describing this proposed action will be posted on the State of Alaska Online Public Notice System for 30 days.

Background:

The lease was first established between DNR and Melvin Gillis, d.b.a. Alaska Trophy Hunting and Fishing for the operation of commercial lodging for a hunting and fishing guide site 1/2-mile Northeast of Ilnik, AK, within the Aleutians East Borough Census area, on June 1, 2004, for 10 years. The lease was renewed on September 11, 2014, for the same term of 10 years. The lease was amended to assign the lease from Melvin Gillis d.b.a. Alaska Trophy Hunting and Fishing to George Weaver d.b.a. Aleutian Adventures LLC on June 17, 2019.

Lease Discussion:

The lease site contains two permanent wood framed cabins and two wood frame outhouses used by AA for support of their guided hunting and fishing operations. The cabins measuring 16'x20' and 14'x18' are to be used for support lodging and two 4'x4' outhouses for human waste disposal. Solid waste will be burned, when applicable, or transported to Anchorage for landfill disposal. Hazardous materials onsite include One 100-pound liquid propane gas (LPG) tank for cooking and one 55-gallon fuel drum of diesel heating fuel. A lease renewal will provide for continued use of AA's commercial lodging that supports their commercial hunting and fishing guide operations, providing a benefit to industry, the State, and Alaskans.

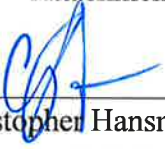
Signature page follows.

Recommendation:

It has been determined that the lease extension for a term of two years is in the best interest of the State. Issuance of the lease extension for a limited term will allow for continued use while DNR adjudicates the lease application. It will allow the lessee and the lessor to continue a lease agreement without a lapse in authorizations that will result in unauthorized use.

In consideration of all the information and facts listed above, it is my recommendation that a lease extension with a limited term is consistent with the overall classification and management intent for this land and would be a benefit to the State of Alaska. It is recommended that DNR extend this lease for a term of 2 years as shown in the following attachment:

- Attachment A – Sample Lease Extension Agreement




Christopher Hansmeyer, Natural Resource Specialist 2
Division of Mining, Land and Water, Southcentral Regional Land Office

10-3-24
Date

Extension Decision:

The casefile has been found to be complete and the requirements of all applicable statutes have been satisfied. I find that it is in the best interest of the State to proceed with the lease extension pursuant to AS 38.05.070(f) as recommended above.



Joni Sweetman, Leasing Unit Manager
Division of Mining, Land and Water, Southcentral Regional Land Office

10/04/2024
Date

Appeal:

An eligible person affected by this decision may appeal to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any appeal must be received within twenty (20) calendar days after issuance of this decision under 11 AAC 02.040. An eligible person must first appeal a decision 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. Appeals 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. Appeals must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (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>.

Attachment A
Sample Lease Agreement Extension

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
550 W. 7th Avenue, Suite 900C
Anchorage, Alaska 99501-3579

Aleutian Adventures
ADL No. 228277
EXTENSION TO LEASE AGREEMENT
AS 38.05.070(f)

In accordance with AS 38.05.070(f), the term of Lease Agreement ADL 228277 entered by **Aleutian Adventures**, effective the 1st day of **June 2024**, recorded as Document No. 2014-000163-0 in the Kvichak Recording District and subsequently amended by Amendment 1 and Assignment 1 to the lease agreement (Document No. 2019-000123-0) is hereby extended to 11:59PM on the 1st day of **June 2026**.

This extension effects the following described leasehold:

A 0.99 ACRE PARCEL OF LAND, MORE OR LESS, LOCATED WITHIN THE NW1/4SW1/4 OF SECTION 25, TOWNSHIP 41 SOUTH, RANGE 66 WEST, SEWARD MERIDIAN. THIS PARCEL IS ALSO LOCATED IN MANAGEMENT UNIT #18 (CAPE SENIAVIN/SEAL ISLANDS) OF THE BRISTOL BAY AREA PLAN.

All other terms and conditions of the lease agreement remain unchanged.

Attachment A

Sample Lease Agreement Extension

By signing this lease extension, the lessor and the lessee agree to be bound by its provisions.

LESSEE:

Aleutian Adventures, LLC.

LESSOR:

Joni Sweetman, Leasing unit Manager
Southcentral Regional Land Office

STATE OF ALASKA)
) ss.
_____**Judicial District**)

THIS IS TO CERTIFY THAT ON THIS _____ day of _____, _____, before me personally appeared _____, known to me to be the person named and who signed the foregoing lease and acknowledged voluntarily signing the same.

Notary Public in and for the State of Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
Third Judicial District)

THIS IS TO CERTIFY THAT ON THIS _____ day of _____, _____, before me personally appeared _____, of the Division of Mining, Land and Water of the Department of Natural Resources of the State of Alaska, who executed the foregoing lease on behalf of the State of Alaska, and who is fully authorized by the State to do so.

Notary Public in and for the State of Alaska
My commission expires: _____

Recorder's Office: Return the recorded document to:
DNR DMLW, SCRO
ATTN: Chris Hansmeyer
550 W 7th Ave., Suite 900C
Anchorage AK, 99501-3577