



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

PRELIMINARY DECISION

ADL 229092

Michael Litzen dba Litzen's Guide Service

Application for Lease

AS 38.05.070(b)

This Preliminary Decision (PD) is the initial determination on a proposed disposal of interest in state land and is subject to comments received during the public notice period. The public is invited to comment on this PD. The deadline for commenting is **11:59 PM January 16, 2025**. Please see the Comments section of this decision for details on how and where to send comments for consideration. Only the applicant and those who comment have the right to appeal the Final Finding and Decision (FFD).

Proposed Action:

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Land Office (SCRO) has received a request from Michael Litzen dba Litzen's Guide Service (LGS) to lease 1 acre of land, more or less, for 10-years for the purpose of the continued use and maintenance of infrastructure in support of a commercial guiding and big game hunting operation. The site is located approximately 105 miles east of McGrath, Alaska. The location of the project area is further described as being within the SW 1/4 of the NW 1/4 of Section 23, Township 33 North, Range 16 West, Seward Meridian. LGS is proposing to use this site to maintain a guide camp which contains ten structures to facilitate staff and guest operations for year-round remote hunting and recreation in the area.

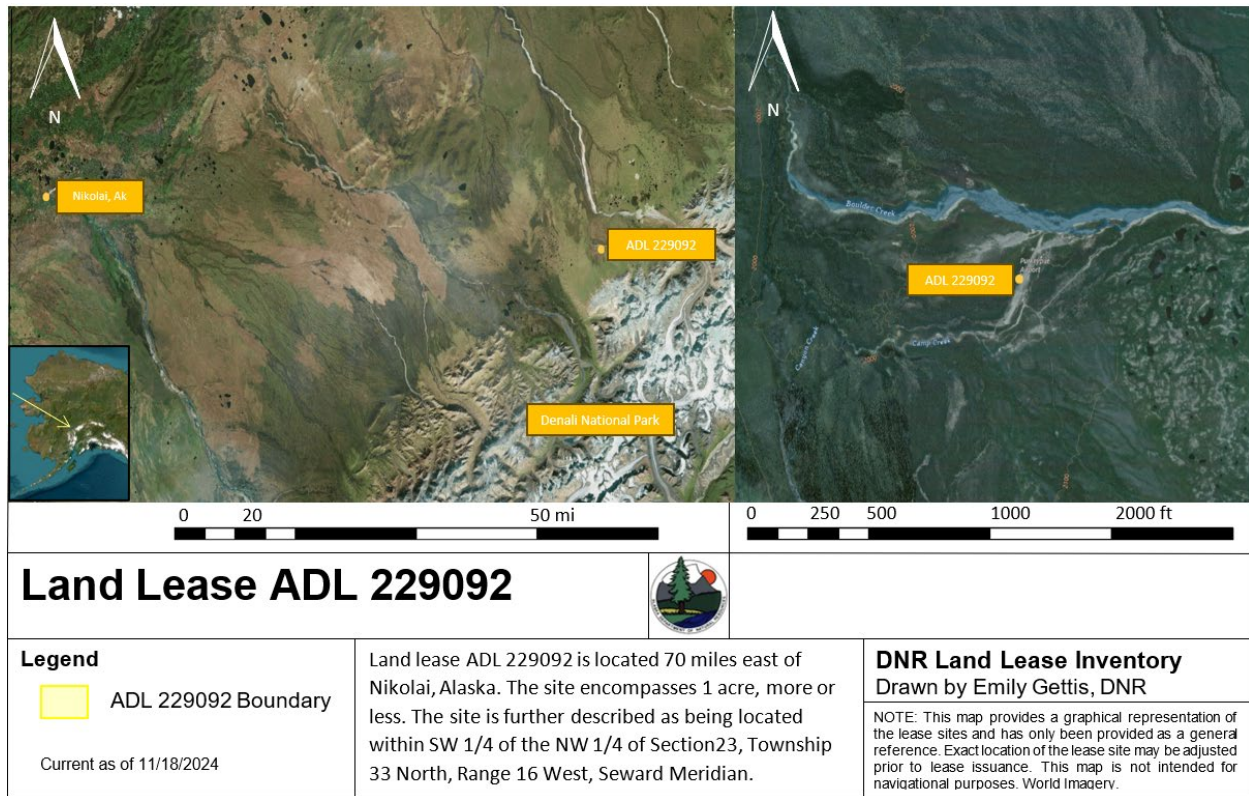
LGS plans to obtain authorization for the continued use of the site which has been previously authorized under a lease since July 1, 2005, and renewed one time in July 1, 2015 for another 10-year period.

SCRO is considering the issuance of a 10-year land lease to LGS for the operation and maintenance of the existing guide and recreation camp.

Scope of Review:

The scope of this decision is to determine if it is in the State’s best interest to issue a 10-year land lease to LGS. There is a 5-acre parcel located 400-yards away from the proposed lease that contains a lodge owned and operated by LGS, serialized as ADL 221089.

Figure 1: Overview Map of Project Area



Authority:

This lease application is being adjudicated pursuant to AS 38.05.035(b)(1) and AS 38.05.035(e) Powers and Duties of the Director; AS 38.05.070(b) Generally; and AS 38.05.945 Notice.

The authority to execute the PD, FFD, and the lease has been delegated to the Regional Managers of DMLW.

Administrative Record:

Case file ADL 229092 constitutes the administrative record for LGS’s lease application.

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 Kuskokwim Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 229092.

Legal Description, Location, and Geographical Features:

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

- **Legal description:** SW 1/4 of the NW 1/4 of Section 23, Township 33 North, Range 16 West, Seward Meridian
- **Geographical location:** 105 miles east of McGrath, Alaska
- **Approximate Lat/Long:** 62° 56.3033' N, 152° 16.0252' W
- **Area geographical features:** Discontinuous permafrost, thaw lakes and slumps. Located approximately 10 miles from the Denali Fault
- **Existing surveys:** None
- **Municipality/Borough:** Denali Borough
- **Native Corporations/Federally Recognized Tribes:** Doyon, Limited
- **Size:** 1 acre, more or less

Title:

SCRO requested a title report from DMLW's Realty Services Section on October 31, 2024, which has not been received at the time of this decision. The lands have previously been determined to be state-owned in the 2015 Renewal Decision.

Third Party Interests:

There are no known third-party interests. The 5-acre parcel to the northeast of the proposed lease serialized as ADL 221089, is the applicant Michael Litzen's private parcel.

Classification and Planning:

The project area falls under the 2019 Kuskokwim Area Plan, specifically Management Unit 3: Tonzona, Subunit 3b: Boulder Creek. The land use designation for the proposed lease is for General Multiple Use, which converts to Resource Management Land. The management intent for Subunit 3b states that the area holds moderate to high potential for mineral resources, including coal, but extraction and development is limited due to lack of access. Managing the land for Public Recreation and Wildlife Habitat ensures that the surrounding lands' potential resource value, including coal, is preserved.

The proposed lease supports a commercial guiding and big game hunting operation that enhances

public recreation opportunities. It allows the public to experience Alaska's backcountry landscapes that are rich in natural beauty and cultural significance. ADL 229092 provides the unique opportunity for the public to engage in outdoor recreation. Access to these remote spaces offers the public enriching and exceptional experiences in the outdoors while also contributing to economic development through tourism and outdoor recreation.

The leasehold is located near the Alaska Range adjacent to floodplains and major rivers, where the Kuskokwim Area Plan states the second highest values of fish and wildlife harvest values are held. Wildlife Habitat land is to be retained in public ownership, serving both Alaskan residents and tourists for hunting and recreation. ADL 229092 upholds the Kuskokwim Area Plan's primary goals by ensuring access to public lands and waters for the enjoyment of wildlife, while also contributing to economic diversity at local, regional, and state levels. The activities under ADL 229092 are not expected to lead to habitat loss. The lessee is encouraged to avoid and minimize any impact on habitats. The State's authorization of this lease protects the habitat values of the land while promoting responsible use and enjoyment of Alaska's rich natural resources.

Traditional Use Findings:

The proposed site is located within the Denali Borough. Pursuant to AS 38.05.830 a traditional use finding is not required.

Access:

The site is accessed using the Purkeypile Airport which is on state land. The site is adjacent to the gravel runway.

Agency Review:

An agency review was conducted on July 18, 2024. The deadline for agency comments was August 7, 2024.

The following agencies were included in the review:

- DNR DMLW Land Conveyance Section
- DNR DMLW Mining Section
- DNR DMLW Public Access Assertion and Defense Section
- DNR DMLW Realty Services Section
- DNR DMLW Resource Assessment & Development Section
- DNR DMLW Statewide Abatement of Impaired Lands Section
- DNR DMLW Survey Section
- DNR DMLW Water Resources Section
- DNR DMLW Appraisal Section

- DNR DMLW Directors Office
- DNR Division of Agriculture
- DNR Division of Forestry & Fire Protection
- DNR Division of Geological & Geophysical Surveys
- DNR Division of Oil and Gas / State Pipeline Coordinator Service
- DNR Division of Parks and Outdoor Recreation / Office of History and Archaeology – State Historic Preservation Office
- DNR Natural Resource Conservation and Development Board
- Department of Commerce, Community and Economic Development
- Department of Environmental Conservation
- Department of Fish & Game
- Department of Transportation & Public Facilities
- U.S. Army Corps of Engineers
- U.S. Bureau of Land Management
- U.S. Coast Guard
- U.S. Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S. Forest Service
- U.S. National Park Service
- U.S. Natural Resources Conservation Service
- U.S. National Oceanic and Atmospheric Administration - National Marine Fisheries Service

A total of 2 agency comments were received during the review period and are summarized below:

Comment: On August 1, 2024, the Alaska Department of Fish and Game (ADF&G), Access Defense Program, responded that there are no objections to the issuance of the lease but for the applicant to be aware of:

1. Best management practices for ATV use in streams:
 - a. Bank to bank crossings of any waterway to minimize in-stream disturbance
 - b. Avoid creating ruts or disturbance of stream banks
2. Avoid conflict with wildlife:
 - a. All fuel, trash, food, and any other potential wildlife attractants (including any petroleum-based products) should be properly stored. The use of bear-resistant containers and maintenance of a clean site will reduce the likelihood of nuisance encounters with bears and other wildlife. Completely removing all attractants when the site is unoccupied will further reduce risks.

- b. Information about staying safe in bear country and avoiding negative interactions, including the use of bear-resistant containers and electric fences, can be found on ADF&G’s website at

<https://www.adfg.alaska.gov/index.cfm?adfg=livingwithbears.main>.

Response: SCRO acknowledges the comments submitted by ADF&G. LGS will be required to implement best practice measures to minimize the disturbance to streams. LGS should also take care to avoid conflict with wildlife and report any nuisance wildlife interactions to ADF&G’s Division of Wildlife Conservation at

<https://www.adfg.alaska.gov/index.cfm?adfg=reportwildlifeencounter.main>.

Comment: On August 7, 2024, the Alaska Division of Geological and Geophysical Surveys (DGGGS) commented on the Geologic Hazards of the area: This region is in a zone of discontinuous permafrost and “50 to 90 percent of the ground surface may be underlain by perennially frozen ground.” The site is also located roughly 10 miles from the Denali Fault. This area is subject to ashfall from Cook Inlet and Alaska Peninsula volcanoes, and past ash events have affected the region.” DGGGS also notes that, “Radon, a naturally occurring cancer-causing radioactive gas, has been modeled to be high in this area. The Environmental Protection Agency’s (EPA) Action Level for radon is 4 pCi/L; the EPA suggests homeowners consider radon mitigation for test results of 2–4 pCi/L. Any home, school, or building can have high levels of radon and should be tested.”

DGGGS commented that given the lack of industry interest, there is not sufficient grounds to object on the potential for mineral resource in the area.

Response: SCRO acknowledges the comments submitted by DGGGS. There are geologic hazards in the area that LGS will be made aware of by this 2024 Preliminary Decision. LGS should implement standard best practices to accommodate the regional seismic hazard that is known to the area, as well as be aware of the high levels of radon in the area.

Lease Discussion:

SCRO received an application packet and development plan for this proposed lease site in July 2024. In 1999, this 1-acre site was initially authorized with SCRO as a 5-year permit, serialized as LAS 22393. In 2005, the permit was converted to a lease serialized as ADL 229092 and has been

renewed one time in 2015. LGS describes no change to their leasehold. The lease site contains 10 structures:

- (1) 10-foot by 22-foot cook house
- (1) 10-foot by 18-foot storage shed
- (1) 16-foot by 17-foot storage shed
- (2) 12-foot by 14-foot wall tents
- (1) 12-foot by 15-foot cabin
- (1) 14-foot by 18-foot cabin
- (2) outhouses
- (1) 12-foot by 15-foot weather port

The infrastructure is in support of LGS's commercial guiding, drop-off hunting, year-round ecotourism trips, and big game hunting operation. Activities on this lease site will accommodate guests and staff sleeping quarters, storage space for equipment, and cooking as needed. This site is ancillary to LGS's main lodge and outbuildings located approximately 400 yards northeast of this 1-acre lease. The operation sustains five guests at a time over a 10-day period with up to seven staff as needed.

A 10-year lease is an acceptable term for the area and intended use of the land. A short-term lease allows SCRO to evaluate the terms of the lease in a timely manner while serving the public interest and contributing to Alaska's economy. An authorization with SCRO will ensure that LGS can carry out their commercial guiding and big game hunting business while on state land.

The proposed lease will be subject to the terms of SCRO's standard lease document (available for review upon request) and any stipulations based, in part, upon the following considerations.

Development Plan:

The Development Plan (DP) attached to this decision (Attachment A) and dated July 13, 2024 is under consideration by SCRO. Should the proposed lease be granted, it is anticipated that the DP will need to be updated throughout the life of the lease as activities and/or infrastructure are added or subtracted. All updates must be approved, in writing, by SCRO before any construction, deconstruction, replacement of infrastructure, or change in activity. SCRO reserves the right to require additional agency review and/or public notice for changes that are deemed by SCRO to be beyond the scope of this decision.

Hazardous Materials and Potential Contaminants:

LGS stores AV Gas in sixteen (16) 55-gallon drums with a containment pond.

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 and AS 38.05.860, LGS will be required to submit a performance guaranty for the lease site.

- **\$5,000.00 Performance Bond:** This bond will remain in place for the life of the proposed lease. 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 as a result 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:

LGS will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a "NAMED" insured party. LGS will be responsible for maintaining such insurance throughout the term of the EA and the lease.

Survey:

In accordance with AS 38.04.045, this short-term land lease does not require a survey. However, the State of Alaska reserves the right to require one in the future, should the need arise due to changes in statutes or increased use of the area. The applicant has submitted GPS coordinate points for the leased area.

Compensation and Appraisal:

As this application is for a short-term lease for a 1-acre remote guide site that is located off the road system and has no public utilities, the proposed lease qualifies under DMLW's Fee Schedule

(2618-16), which sets the annual fee at **\$1,070.00**. As the Fee Schedule satisfies the requirements of AS 38.05.840, no appraisal will be required from the applicant. Furthermore, in accordance with AS 38.05.105, the proposed lease will be subject to reappraisal at five-year intervals after the issuance of the proposed authorization.

If the applicant does not agree with the fee schedule amount of \$1,070.00, a fair market value determination can be obtained by the applicant. Fair market value is determined by obtaining a DNR approved appraisal of the lease. If an appraisal is conducted to determine fair market value of the lease site, the applicant will be required to pay the appraised amount and the \$1,070.00 annual fee will no longer be an option. The appraisal cost will be borne by the applicant. The parcel may need to have an approved Alaska State Land Survey to accomplish the appraisal. If a survey is required the cost will be incurred by the applicant.

Visitor Day Use Fee:

All commercial recreation authorizations are subject to a \$4.00/day “Visitor Day” fee under 11 AAC 96.250(18), for each client using state land. This fee is collected once a year and will be due on the same day as the annual fee.

Subleasing:

Subleasing is permissible through AS 38.05.095, if the proposed lease is approved. A sublease is defined as improvements not owned by the lessee that are located within the leasehold on the land or located on structures owned by the lessee. A sublease pertaining to the proposed lease includes but is not limited to, user agreements, license agreements, communication site agreements, or any contracts between the lessee and other commercial entities. All potential subleases must first be approved in writing by SCRO. Depending on the activity of any potential subleases, SCRO is reserving the right to reevaluate the need for further agency review and/or public notice before making a determination on the appropriateness of the proposed sublease. Sublease compensation to the State will be determined by SCRO according to AS 38.05.073(m), under the authority of AS 38.05.075(a) Leasing Procedures. In any case, the sublease fee for commercial activities will not be less than 25% of the annual fee paid to leaseholder by the sublessee.

Assignment of Lease:

The proposed lease, if issued, may be transferred or assigned to another individual or corporation only with written approval from DMLW. A lease will not be assigned to an entity if that entity does not meet the statutory requirements of the lease, or if the lessee is considered not to be in “good standing” with DMLW or any other agency authorization. DMLW reserves the right to amend the terms of the lease prior to assignment.

Reclamation:

In accordance with AS 38.05.090(b), all lessees must restore their lease site to a “good and marketable condition” within 120 days after termination of the lease. What level of reclamation constitutes as being “good and marketable” is at the discretion of SCRO.

Public Notice of the Preliminary Decision:

Pursuant to AS 38.05.945, this PD will be advertised for a 30-day public comment period. Notice will be posted on the Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices/Default.aspx> and the post offices located in Takotna, McGrath, and Nikolai, Alaska. Courtesy notices will also be mailed or emailed to neighboring property owners, permit/lease holders, and other interested parties on December 18, 2024 for a 30-day public comment period.

Comment(s):

This decision is subject to both public and agency comments, and all comments received by the comment deadline will be considered in the FFD. Only those who comment and the applicant have the right to appeal the FFD.

**Written comments about this project must be received in this office no later than
11:59 PM on January 16, 2025 to be considered.**

To submit comments please choose one of the following methods:

Postal: Department of Natural Resources
Division of Mining, Land and Water
Southcentral Region Office
ATTN: Emily Gettis
550 West 7th Avenue, Suite 900C
Anchorage, AK 99501-3577
Email: emily.gettis@alaska.gov
Fax: (907) 269-8913

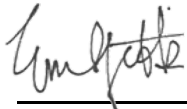
Questions about the lease portion of this project can be directed to Emily Gettis at (907) 269-8619.

If public comments result in significant changes to the Preliminary Decision, additional public notice will be given. To be eligible to appeal the Final Finding and Decision, a person must provide written comments during the Preliminary Decision comment period per AS 38.05.035(i)-(m).

Signature page follows

Recommendation:

SCRO has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found that this project is consistent with all applicable statutes and regulations. SCRO considered three criteria to determine if this project provided the best interest to the State and the development and enjoyment of its natural resources. The criteria include direct economic benefit to the State, indirect economic benefit to the State, and encouragement of the development of the State’s resources. This authorization provides a direct economic benefit to the State with the collection of fees for ADL 229092 and an indirect economic benefit through the encouragement of the development of the State’s resources. The authorization of this lease is in the State’s best interest as it will continue to provide recreation opportunities with an emphasis on hunting and use of the land which the area is managed for. It is recommended that SCRO issue a 10-year lease to LGS.



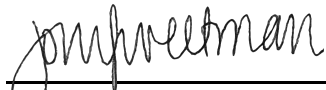
12/18/2024

Emily Gettis, Natural Resource Specialist

Date

Preliminary Decision:

It is the determination of the Division of Mining, Land and Water that it may be in the State’s best interest to issue a land lease for 10 years to LGS, as described above. Upon authorization of the lease, the applicant will be required to pay the annual lease fee of \$1,070.00, submit a \$5,000.00 performance guaranty, and provide proof of liability insurance. This Preliminary Decision shall now proceed to public notice.



12/18/2024

Joni Sweetman, Regional Manager

Date

Division of Mining, Land and Water, Southcentral Regional Office

Attachments

Attachment A – Development Plan

Attachment B – Location Map



Attachment A Development Plan

DEVELOPMENT PLAN FOR LITZEN GUIDE SERVICE

The location of the one acre lease is adjacent to the Purkeypile runway mid-way on the west side. It is approximately 105 miles East of McGrath at N62 56 369 W 152 15 839, in the SW1/4NW1/4 of section 23, Township 33 North, Range 16 West, Seward Meridian.

The area ground cover is sand gravel and scattered spruce and cotton wood trees.

The site is accessed by airplane on Purkeypile runway. The biggest change to my operation and development plan is that Litzen Guide Service now owns 5 acres and the lodge and outbuildings on the NE corner of Purkeypile runway 400 yards for this leased site. Much of my operation is run from there but we still rely on this one-acre lease for sleeping accommodation for staff and clients and some storage of supplies and equipment. My lodge and leased site are for guided hunting, drop off hunting, ecotour trips year around Fish and Game flying jobs.

There are 10 structures on the one acre leased site. The 10'x22' cook house and 10'x18' storage shed are 2x4 and plywood construction with rolled tar roofing. The 2 12'x14' wall tent are 2x4 frames with 16" and 48" plywood sides, with plywood doors and floors, canvas tent with vinyl covers. The 12'x15' cabin is plywood with a metal roof. The 14'x18' cabin is conventional construction with a steel roof. The outhouse in the SW corner is log construction and the one mid-way on the west side is 2x4 and plywood with tin roof. The 12'x15' weather port is steel tube archways with rubberized cover. The 16'x17' shed is an old military style wood frame with aluminum roofing bent over top, this building was on site when I started doing business here. The fuel storage is log frame with heavy pit liner plastic up 3' on the sides and wood pallet floor for storing 16 55 gallon drums. All buildings besides the military style building are on either log or heavy drill pipe skids, all temporary foundations. There are 4 wood stoves in the tents and building. We cut only dead spruce for our wood for stoves from surrounding state land. Litzen Guide Service has a permit to take up to 3 cords of green timber when it is needed for a meat pole or small construction, or maintenance job is required.

The only power source is a Honda 2000-watt generator to run a few lights and a small freezer. The only wastewater is the kitchen sink that runs into a cut off 55-gallon drum filled with rocks buried next to cook shack. The 2 outhouses are limed every 3 weeks during the season and once at the end of the season. This kitchen is not used often as most often we cook and eat at the lodge. There is no shower on site as that is now done at the lodge.

As mentioned earlier there is a fuel containment pond for 16 55-gallon drums of Av gas, construction described in building section.

Our drinking water source is a creek that comes down the mountain 2 miles to the East. We take the mining road with 4-wheeler and trailer and get 5 gallon jugs of water there.

Attachment A Development Plan

There are 2 tie downs for aircraft and the 2 4-wheelers are parked in the shed. Aircraft and 4-wheelers are well maintained and do not leak any hazardous substances, but oil absorbent pads and portable containment pits are kept on site in case of leaks.

All burnable trash is burned on the lodge property, non-burnable flown out to the McGrath land fill.

There are approximately 6 miles of old mining roads that we use the 4-wheelers on and one trail off to the SW to access an out camp on BLM land. These trails and roads are used for any hiking that takes place as well.

There may be as many as 7 staff and 5 guests in a 10 day period. However, during that 10-day period all personnel, staff and guests will be flown to several ADL and BLM out camps.

Maintenance of site and building will be performed by staff and will be just general maintenance like painting wood surfaces, replacing canvas tents and cutting grass and bushes around buildings.

Litzen Guide service has no plans to stop doing business on this site in the foreseeable future but when that time comes, we will move all buildings with a Case 350 dozer to our 5 acre private land at the end of the runway. No site reclamation will be required.

Attachment B Location Map

