

From: [Tucker, Jonathan R \(DNR\)](#)
To: [Sandy Sears](#)
Subject: RE: [EXTERNAL] RE: WR applications for LAS 30052, 30053, 30054
Date: Thursday, December 26, 2024 2:43:00 PM

Sandy,

Sounds good, I will move forward with those amounts. I took the liberty of changing the water use period(s) to “year-round use”, as that is the season in which you will use the water. Please note that the \$300 fee per water right includes the SBU fee. There is no extra \$50 fee for that.

If you would like to pay by credit card over the phone, our Payment Information Center can be contacted at (907) 269-8400. Please let them know that each \$300 amount is actually a \$250 water right application fee and a \$50 water right SBU fee and should be entered into the system that way for both LAS 30052 and LAS 30054. If credit over the phone is not feasible, a check for \$600 can be mailed to me and I can submit it to them, your choice. Just let me know how it's being paid.

Thanks,

Jon

From: Sandy Sears <William.Sears@hilcorp.com>
Sent: Thursday, December 26, 2024 2:01 PM
To: Tucker, Jonathan R (DNR) <jonathan.tucker@alaska.gov>
Subject: RE: [EXTERNAL] RE: WR applications for LAS 30052, 30053, 30054

Lets go with Option 1.

Have a look at the attached SBUs and let me know if these will suffice.
If so I'll pay the \$350 total (\$300 amendment fee; \$50 SBU fee) for each.

Thanks Jonathan.

Sandy Sears
Environmental Specialist - Water
Hilcorp Alaska, LLC
Hilcorp North Slope, LLC
Office (907) 777-8346
Personal Information

From: Tucker, Jonathan R (DNR) <jonathan.tucker@alaska.gov>
Sent: Thursday, December 26, 2024 11:51 AM
To: Sandy Sears <William.Sears@hilcorp.com>
Subject: RE: [EXTERNAL] RE: WR applications for LAS 30052, 30053, 30054

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Sandy,

No, that is not accurate. Those amounts are annual averages. Based on the historical monthly amounts that you submitted to me, those amounts would get Hilcorp in trouble if authorized, as the data shows that Hilcorp already used over the average amount in 2020 at well 214-26 (1,023,411 gals used vs. 365,900 avg gals) and is on track to use over the average amount in 2024 for well 212-35 (2,448,628 gals used so far vs. 893,588 avg gals). We do not consider average annual amounts of use when determining accurate beneficial amounts of use for an applicant to declare for permanent certification, as this will undercut amounts that have already been verified as used in the past. This could unintentionally set Hilcorp up for potential misdemeanors for over-appropriating an authorized amount of use. No one wants that. I typically will run a statistical analysis of the monthly data to determine an average daily use and recommend that the applicant declare the maximum average daily use recorded in the data plus one statistical standard deviation in order to incorporate seasonal variability and climate change. That amount then is declared by the applicant via a Statement of Beneficial Use Form and is what is typically authorized in the subsequent permanent Certificate of Appropriation. If an applicant desires to set an annual limit prior to public notice and the permit period, then that is their prerogative.

Because water rights are usually a multi-step process (permit then certificate), we no longer authorize just annual amounts of water for wells. That's why having well log/pump test data and then eventual monthly water use data is so critical. We also cannot authorize daily use (or any other measurement period) higher than the sustainable maximum yield of a well. Based on the data in your water use report, Well 214-26 used a maximum amount of 808,100 gallons in July 2020, or ~26,067.7 gpd. Well 212-35 used a maximum amount of 821,553 gallons in July 2024, or ~26,501.1 gpd. If I add one standard deviation to each respective amount, these amounts increase to 33,436 gpd for Well 214-26 and 33,474 gpd for Well 212-35. These daily amounts are well under the sustainable yields for each well. Annual limits would then not be necessary, unless you chose to specify them, because actual beneficial use has already been established. I assumed that's what the 1.5 million and 3 million gallon volumes were referring to in your email from December 19th.

At this point, the following options are what I would recommend deciding between:

Option 1: If the daily volumes I have calculated for each well, 33,436 gpd for LAS 33054-Well 214-26 and 33,474 gpd for LAS 30052-Well 212-35 seem reasonable, Statements of Beneficial Use can be submitted for those amounts and I can then bypass the need for permit periods and adjudicate the water rights straight to permanent Certificates of Appropriation for each. The \$300 fees for each casefile would include the application fees for the increased

amounts of use from the original applications and the SBU fees. You would then be authorized to use those daily amounts on any given day throughout each year in perpetuity unless the source is no longer utilized.

Option 2: If the calculated amounts of use listed above do not seem reasonable, then I can move forward with adjudicating both applications to authorize respective 5-year permits, allowing a maximum daily use of the sustainable yields of each respective well with the annual limits of 1.5 and 3 million gallons, but only if you like. This would allow Hilcorp to continue to submit monthly water use reports to determine a beneficial amount of use to declare toward the end of the permit period, much in the same manner that I calculated to amounts of use above. Please note that, if annual limits are set in the public notice and permit, then they would also need to be listed in the final certificate. Again the \$300 fees for each casefile would include the application fees for the increased amounts of use from the original applications and the SBU fees. You would then be authorized Certificates of Appropriation after the permit period ended to use amounts calculated from these upcoming water use reports instead of the one just sent.

Please notify me as to how you would like to move forward.

Jonathan Tucker

Natural Resources Specialist II
Division of Mining, Land & Water
Department of Natural Resources
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550 West 7th Avenue, Suite 1020
Anchorage, Alaska 99501-3562
Phone: 907-269-8663

From: Sandy Sears <William.Sears@hilcorp.com>
Sent: Thursday, December 26, 2024 9:06 AM
To: Tucker, Jonathan R (DNR) <jonathan.tucker@alaska.gov>
Subject: RE: [EXTERNAL] RE: WR applications for LAS 30052, 30053, 30054

Jonathan,
So I am clear on what will be noticed, you will use 365,900 gals/yr for LAS 30054 and 893,588 gals/yr for LAS 30052?

Sandy Sears
Environmental Specialist - Water
Hilcorp Alaska, LLC
Hilcorp North Slope, LLC
Office (907) 777-8346

Personal Information

From: Tucker, Jonathan R (DNR) <jonathan.tucker@alaska.gov>
Sent: Monday, December 23, 2024 1:00 PM
To: Sandy Sears <William.Sears@hilcorp.com>
Subject: [EXTERNAL] RE: WR applications for LAS 30052, 30053, 30054

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Sandy,

I have closed LAS 30053, as requested. As for LAS 30052 and LAS 30054, both volume updates are indeed increases in use from the original applications and are each subject to the additional \$300 fees (\$600 total) that I stated to you in my email from December 13th. These \$300 fees can be paid by credit card over the phone by calling our Public Information Center (PIC) at (907) 269-8400 and stating that you would like to pay for water right application fees for LAS 30052 and LAS 30054. Please have the PIC associate forward me each respective receipt by email as evidence of payment. If this is not possible, then a check can be mailed to the address below, to my attention and payable to the "Alaska Department of Natural Resources", and I can forward it to the PIC for processing. I can then prepare to move forward with the associated public notices needed for the casefiles.

The intention of submitting the 5-year historical water use report was to determine an accurate amount of use to declare on a Statement of Beneficial Use for permanent certification. Your recommendation to change your respective requests to 3,000,000 gallons/year and 1,500,000 gallons/year are much higher than any given recorded annual amounts in your report. Water rights are a multi-step process, with the water right being authorized a Permit to Appropriate Water for the proposed amount of use, then monthly water use data is submitted to us during the permit period to determine an accurate amount of actual use for a permanent Certificate of Appropriation. Since your proposed annual amounts are much higher than the historical data, I will be using those amounts as annual limits in the upcoming public notices and subsequent permits. I will also be using the yield rates of the wells to determine their respective maximum daily maximum uses. This will define your daily and annual limits for the permits. During these permit periods, Hilcorp will then submit annual monthly use reports for no less than the duration of the permit period to determine their respective actual amount of use to be declared with Statements of Beneficial Use for each water right. We can then authorize Certificates of Appropriation in monthly amounts, if you still choose to do so, because we will have more accurate data to reflect current use.

I can be contacted by phone or email should you have any more questions. I look forward to receiving your receipts for the application fees and adjudicating your applications.

Regards,

Jonathan Tucker

Natural Resources Specialist II
Division of Mining, Land & Water
Department of Natural Resources
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Phone: 907-269-8663

From: Sandy Sears <William.Sears@hilcorp.com>

Sent: Thursday, December 19, 2024 3:59 PM

To: Tucker, Jonathan R (DNR) <jonathan.tucker@alaska.gov>

Subject: WR applications for LAS 30052, 30053, 30054

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Hi Jonathan.

Below and attached is the information I have and recommendation for each WR application

- LAS 30052 (water well 212-35) – average yearly usage over the last 5 years is 893,588 gals. Water is mostly withdrawn during the summer months when it is used for drilling purposes. I would like to have a water right volume amount that would reflect if we were withdrawing water each month for drilling. My recommendation is that this water right volume be changed to 3,000,000 gals/year.
- LAS 30053 (water well BRDW-1) – Hilcorp has not used this water well in the last 5 years. This application can be cancelled.
- LAS 30054 (water well 214-26) – average yearly usage over the last 5 years is 365,900 gals. Like well 212-35, water is mostly withdrawn during the summer months when it is used for drilling purposes. I would like to have a water right volume amount that would reflect if we were withdrawing water each month for drilling. My recommendation is that this water right volume be changed to 1,500,000 gals/year.

Let me know if you determine that this is reasonable.

Sandy Sears
Environmental Specialist - Water
Hilcorp Alaska, LLC
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Office (907) 777-8346

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