

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

# RENEWAL DECISION

ADL 226872

**Ray Paniwozik dba Hurtle Creek Outfitters**

**10-year Land Lease**

AS 38.05.070(e) and AS 38.05.070(b)

**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 Ray Paniwozik dba Hurtle Creek Outfitters (HCO) to renew a current lease for 5 acres of land for 10 years located at the mouth of Hurtle Creek, Tonsina Lake. The location of the project area is further described as being within SE 1/4 of Section 11, Township 5 South, Range 2 West, Copper River Meridian. HCO uses this site for commercial recreation and guide use camp.

**History:**

The lands within which this lease resides were selected by the State of Alaska in 1972 under application AA-6800 and later granted tentative approval in October of 2012. Prior to conveyance to the State, the lands were managed by BLM, during which time a previous individual held leases and permits on the affected lands dating back to 1995. This authorization was first initiated in 2013 after receiving an application from HCO. Although SCRO's 2014 Final Finding and Decision was appealed, that appeal was denied, and a lease was issued with an effective date of January 1, 2015. The site passed a filed inspection in 2014 prior to lease issuance.

On October 10th, 2024, HCO applied to renew the lease for 10 additional years. HCO is the current lessee for ADL 226872, which is set to expire at midnight December 31st, 2025.

**Existing Infrastructure:**

- 16-foot by 20-foot wood frame cabin
- 8-foot by 8-foot sauna
- Two 8-foot by 12-foot cabins: guest cabin and shower house
- 12-foot by 15-foot cook shack
- 8-foot by 10-foot tool shed
- 55-gallon commercial boat fuel tank to hold boat gas in a cabin

### **Agency Review:**

Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this preliminary decision. An agency review was conducted on March 17, 2025. The deadline for agency comments was April 5, 2025

The following agencies were included in the review:

- 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
- 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. Fish and Wildlife Service
- U.S. National Park Service
- U.S. National Oceanic and Atmospheric Administration - National Marine Fisheries Service

Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this preliminary decision. One agency comment was received during the review period and are summarized below:

**Comment:** On *April 3, 2025*, the Alaska Department of Fish and Game responded with the following:

**ADF&G has no objection to the issuance of this lease;** however, we have the following comments and recommendations:

1. Tonsina Lake and Hurtle Creek (at least the mouth) are documented as anadromous and support resident fish species. While no modification of the lakeshore or riverbanks has been proposed, the applicant should be aware that any such modification may require a fish habitat permit. Please direct any related questions to the ADF&G Habitat Office at (907) 459-7289 or [dfg.hab.infofai@alaska.gov](mailto:dfg.hab.infofai@alaska.gov).
2. All fuel should be properly stored in impermeable secondary containment.

3. Public access along Tonsina Lake should be maintained.
4. Avoiding 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 negative encounters with bears and other wildlife. Removing attractants when sites are 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 (<https://www.adfg.alaska.gov/index.cfm?adfg=livingwithbears.main>). The applicant should report any nuisance wildlife interactions to ADF&G Division of Wildlife Conservation at <https://www.adfg.alaska.gov/index.cfm?adfg=reportwildlifeencounter.main>.
5. Preserving habitat (such as trees, shrubs, or ground cover) while meeting project goals is crucial for safeguarding habitat and sustaining breeding bird populations. During improvement planning, it's advisable to schedule vegetation clearing before or after the breeding season. For more details on nesting seasons, refer to <https://www.fws.gov/alaska-bird-nesting-season>.

**Response:** DNR acknowledges the comment and by publication of this decision document, informs Ray Paniwozik dba Hurtle Creek Outfitters (HCO) regarding ADF&G-provided recommendations.

#### **Lease Renewal Authority:**

In 2013 the original lease had been adjudicated pursuant to AS 38.05.035(b)(1) Delegation of the Powers and Duties of the Director; AS 38.05.035(e) Written Findings; AS 38.05.070(b). Generally; and AS 38.05.945 Public Notice. Upon lease expiration, subsection AS 38.05.070(e) allows the Director to renew a lease previously issued under section AS 38.05.070 if the lease is in good standing and the lease renewal is determined to be in the best interest of the State.

#### **Lease Renewal Qualifications:**

In order to qualify for a renewal, a lessee must be in "good standing". Good standing refers to the fact that the lessee's accounts are current, that there are no outstanding compliance issues, and that the lessee maintains a healthy business relationship with the lessor. A review of the case file has shown that the lessee is in good standing.

#### **Lease Renewal Discussion:**

Renewing the lease under AS 38.05.070(e) will allow the lessee and the lessor to reenter into a lease contract with minimal delays or disruptions. This lease renewal is in the best interest of the

State as it will allow the lessee to further utilize their lease for commercial recreation and guide use camp, as was the intent of the original lease. The area with which this site is used especially for recreational purposes wherein private recreation development and stability adds to or enhances public recreation opportunities.

**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 1986 Copper River Basin Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 226872

**Legal Description:**

On the north side of the mouth of Hurtle Creek where it joins with Tonsina Lake, within the S½ SE¼ of protracted Section 11, Township 5 South, Range 2 West, Copper River Meridian, Alaska, containing approximately 5 acres, more or less.

**Title and Third-Party Interest:**

***Acquisition Authority:*** General Grant Land - Statehood entitlement under the Act of July 7, 1958, 72 Stat. 339, as amended.

***Status:*** The State received TA to the subject lands on November 20, 2009. The applicable state case file is GS-2028

***Title Report:*** SCRO requested a title report from DMLW's Realty Services Section on March 16, 2025, which has not been received at the time of this decision. The lands have previously been determined to be state-owned in the 2013 PD.

The subject land had been vested to the State of Alaska under Tentative Approval (No. 2010-0039) dated November 20, 2009 as of the 2013 PD. A DNR Title Report (RPT-4615) issued on July 31, 2013 from DMLW's Realty Services Section attests that, aside from the usual reservations for ditches, canals, railroads, telegraph and telephone lines, and water rights, there is one other reservation within the proposed lease site:

- RST 1365, Revised Statute 2477, Complete, Hurtle Creek Trail (Squaw Creek Trail)

**Planning and Classification:**

The project area is subject to the Copper River Basin Area Plan, Region 14, Subunit 14A: Tonsina Lake (map number 14). The primary land use designations for classifications for 14A are wildlife habitat, forestry, public recreation, which convert to classifications of Wildlife Habitat Land, Public Recreation Land, and Forest Land. Resources within the unit include fish (salmon), forestry (moderate coniferous and deciduous trees), very high recreation along the Tonsina Lake, and wildlife habitats (A-2, B-2, and A-1). Tonsina Lake is also an anadromous waterbody that has important salmon spawning habitat. The lease site is also within the Thompson Pass Special Use

Area (ADL 226446). As stated within the Management Goal for Recreational, Cultural, and Scenic Resources, “Encourage commercial development of recreational facilities and services through land sales, leases, loans and technical assistance where public recreation needs can most effectively be provided by private enterprise” (2-18). Given that the lease site and activity does not interfere with the natural character of the landscape (2-41) nor negatively impact fish and wildlife habitat land, recreation in the form of guiding and tourism adequately satisfies the suggested use of the area given in the Copper River Basin Area Plan and should be renewed for an additional 10 years.

**Access:**

As stated in the lessees Development Plan attached following this document, the site is accessible by float plan and snowmobile.

**Public Access**

This site possesses a RS2477 easement that runs through the NE corner of the site where Hurtle Creek Trail (Squaw Creek Trail) allows public access as well as a to and along easement located adjacent to Tonsina Lake.

**Authorization and Term Length:**

Pursuant to AS 38.05.070(e) leases may only be renewed once and for a duration no longer than the original lease term. As such, this renewal lease will be issued for an additional 10-year term. Unless an appeal is received, the lease term will begin upon 1 January 2025.

**Compensation and Appraisal:**

As this application is for a short-term lease for a 5-acre commercial recreation site that is located off of 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 **\$2,400.00**. 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 \$2,400.00, 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 \$2,400.00 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. *A Visitor Day is defined as meaning all or any part of a calendar day which a commercial recreation client is present, with each client representing a separate visitor day if multiple clients are present at any time during a calendar day.* This fee is collected once a year and will be due on the same day as the annual fee.

**Periodic Rate Adjustment:**

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.

**Bonding:**

In accordance with the terms of the original lease, the existing performance bond of \$6,074 will be sufficient to satisfy 11 AAC 96.060 for this land lease. 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/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 development plan, 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 reserves the right to require a reclamation bond in the event of noncompliance issues during the term of the lease or near the end of the life of the project

**Insurance:**

Ray Paniwozik will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a “NAMED” insured party. Ray Paniwozik will be responsible for maintaining such insurance throughout the term of the renewed lease.

**Public Trust Doctrine:**

Pursuant to AS 38.05.126 all authorizations for this site will be subject to the principles of the Public Trust Doctrine; specifically, the right of the public to use navigable waterways and the land beneath them for navigation, commerce, fishing, hunting, protection of areas for ecological studies, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this project. As such, SCRO is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine

*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 the proposed lease is consistent with all applicable statutes and regulations. SCRO recommends the issuance of another 10-year lease to support Ray Paniwozik dba Hurtle Creel Outfitters commercial recreational activities as they provide private recreation which enhances public recreation opportunities as described in the following attachments:

Attachment A: Development Plan

Attachment B: Location Maps

*Leiana Cox*

07/28/25

Leiana Cox, Natural Resource Specialist 2

Date

Division of Mining, Land and Water, Southcentral Regional Land Office

**Decision:**

The findings presented above have been reviewed and considered. The case file has been found to be complete and the requirements of all applicable statutes and regulations have been satisfied. SCRO finds that it is in the best interests of the State to renew this lease as described under the authority of AS 38.05.070(e).

*Cinnamon Micelotta*

07/25/2025

Cinnamon Micelotta, General Leasing Program Manager

Date

Division of Mining, Land and Water, Southcentral Regional Land Office

**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](mailto: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 Development Plan

### TERAIN COVER:

MOSTLY ROCK WITH PARTIAL VEGETATION  
COTTONWOOD / SPRUCE / ALDER NO CHANGES TO  
GROUND COVER.

### ACCESS

FLOAT PLANE OR SNOW MACHINE

### Buildings 2x4 CONSTRUCTED

8x10 TOOL SHED STORAGE FOR TOOLS MISC.  
SCREWS / FISHING GEAR

12x15 COOK SHACK: 2x4 CONSTRUCTED  
MISC, COOKWARE, PROPANE STOVE, WOOD STOVE  
THIS BUILDING IS USED FOR COOKING AND OVERFLOW  
SLEEPING

### 8x12 SHOWER HOUSE / OUTHOUSE LOG CONSTRUCTED

THIS BUILDING IS THE SHOWER HOUSE -  
ALSO HAS A TOILET THAT I PUT A CONTRACTOR SINK  
IN FOR HUMAN WASTE THAT IS HAULED OUT.  
ALSO USED FOR PARTIAL EQUIPMENT STORAGE / GENERATOR  
AND WATER PUMP. FUEL STORAGE HERE AS WELL IN  
PLASTIC JUGS WITH A 6 MILL SECONDARY FUEL CONTAINMENT  
BARRIER 30 GAL -

## Attachment A Development Plan

### 8x12 GUEST CABIN

WOOD STOVE / SLEEPS 3

LOG CONSTRUCTION

SLEEPING BAGS / COLEMAN LANTERN

### 8x8 SAUNA / SLEEP QUARTERS FOR 2

LOG CONSTRUCTED

WOOD STOVE

BUNK BEDS

### Power Source

HONDA GENERATOR FOR CHARGING TOOLS

### WASTE DISPOSAL

ALL WASTE FOR THE MOST PART IS  
CONTAINED & HAULED OUT,

HAZARDOUS MAT.

### FUEL & OIL

ALL IN PLASTIC CONTAINERS

30 GALLONS OF FUEL

2 STROKE OIL - 3-4 GALLONS

## Attachment A Development Plan

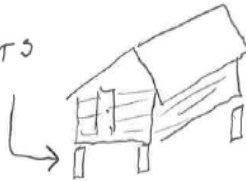
Number of Occupants

No More than 5 at a time

MAINTENANCE

THIS IS pretty minimal OTHER THAN ROOF  
Repair at times or PATCHING A WINDOW  
DUE TO ANIMAL INVASIONS.

ALL STRUCTURES ARE ON LOG POSTS  
EXCEPT TOOL SHED WHICH JUST SITS  
ON GRAVEL.



WATER IS RETAINED BY WATER TUBS OUT OF  
Hurtle Creek -

# Attachment B

## Location Maps

61.4433, -145.5286 coordinates

Site Development Diagram

