

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

Preliminary Decision
ADL 107847
Adonai Seafood Delights, LLC
Application for Lease Amendment No. 3
AS 38.05.083

This Preliminary Decision (PD) is the State's preliminary best interest finding regarding a proposed disposal of interest in state tide and submerged lands. The public is invited to comment on this PD. The deadline for commenting is **11:59PM on May 11, 2026**. Please see the Public Notice section of this decision for requirements related to submitting comments for consideration.

Requested Action:

Adonai Seafood Delights, LLC (ASD) has submitted an amendment application to the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW) to amend aquatic farmsite lease ADL 107847. The lessee requests to add approximately 6.85 acres, more or less, of state tide and submerged lands to Parcel 1 of their current lease authorization. With this amendment, Parcel 1 would total approximately 8.92 acres, and the total lease acreage would total 9.2 acres, more or less. The lessee also requests to add a new species, Kumamoto Oyster (*Crassaostra sikamea*), and to install new gear and infrastructure listed below. The leasehold is located approximately 6.4 miles from the community of Naukati Bay, Alaska. The location of the project area is further described as within the SW1/4 of Section 17 and NE1/4 of Section 18, Township 70 South, Range 79 East, Copper River Meridian, Alaska.

Requested Improvements:

- Expand Parcel 1: Suspended Grow-out Area: 774.62 feet by 418.19 feet by 836.84 feet by 475.83 feet = 8.92 acres, more or less
- (18) 405-foot floating longlines (with Vexar and flip flop bags)
- (38) 1000-lb anchors
- (1) 32 foot by 32-foot float with a 20-foot geodesic dome work float
- (1) 16 foot by 16-foot solar power float
- (1) 16 foot by 32-foot boat house float
- (2) 2 foot by 72 foot grow out docks
- (2) 16 foot by 16-foot storage room floats
- (5) 16 foot by 16 foot grow out rafts
- (1) 16 foot by 24-foot Floating Upweller System (FLUPSY)
- (1) 16 foot by 16-foot crane float
- 400-foot log breakwater along the northwest to southwest side

700-foot log breakwater along the northwest to northeast side

Existing Improvements:

Parcel 1: Suspended Grow-out Area: 300 feet by 300 feet = 2.07 acres, more or less

(1) 40 foot by 40-foot main work float with a 20 foot by 20-foot enclosed processing facility

(1) crane tumbler

(1) 16 foot by 40-foot work/storage float that is attached to the main 40 foot by 40-foot float

(7) 16 foot by 20-foot grow out rafts

Parcel 2: Intertidal area for grow-out and hardening: 46 feet by 448 feet by 330 feet by 44 feet by 352 feet by 474 feet = 0.28 acres, more or less

Proposed Action:

DMLW is considering the issuance of an amendment to Adonai Seafood Delights LLC for the remaining term of the lease, ADL 107847. The proposed amendment is for the purpose of increasing Parcel 1’s acreage, adding a new oyster species, Kumamoto Oyster (*Crassaostra sikamea*), and installing infrastructure and gear for new culture methods. The proposed amendment will consist of Parcel 1 at 8.92 acres, more or less, and Parcel 2 at 0.28 acres, more or less, encompassing a total of 9.2 acres, more or less. There will be no change to Parcel 2.

Background:

This lease agreement was originally established between DMLW and Michael Sheets Sr for a 10-year term beginning March 1, 2010. The lease authorized 2.75 acres, more or less, in a single parcel for the commercial growth and harvest of shellfish. On December 2, 2011, the lease was amended to expand to 3 acres, more or less, and to add two parcels. On August 15, 2012, Michael Sheets Sr. assigned the leasehold to Michael Sheets Jr. and Paul Goodson dba Alaskan Halfshell Oysters, LLC (AHSO). On April 6, 2017, DMLW amended the lease to reduce the total acreage from 3 acres to approximately 2.35 acres, to clarify parcel coordinates and number of parcels, and to update the lease acreage. The 2017 Amendment No. 2 for ADL 107847 modified the lease to two parcels:

Parcel 1 – Suspended Shellfish Culture Growing Area measuring 2.07 acres, more or less.

	LATITUDE	LONGITUDE
NE Corner:	55°47.863’N	133°20.533’W
SE Corner:	55°47.814’N	133°20.543’W
SW Corner:	55°47.831’N	133°20.623’W
NW Corner:	55°47.881’N	133°20.614’W

Parcel 2 – Oyster Hardening Area measuring 0.28 acres, more or less.

	LATITUDE	LONGITUDE
NE Corner:	55°48.064'N	133°20.824'W
SE Corner:	55°48.061'N	133°20.827'W
SC Corner:	55°48.075'N	133°20.896'W
SW Corner:	55°48.062'N	133°20.946'W
NW Corner:	55°48.066'N	133°20.949'W
SC Corner:	55°48.080'N	133°20.897'W

The current two parcel leasehold totals 2.35 acres, more or less. The parcel sizes and coordinates established in the 2017 Amendment No. 2 remain the official legal description for the issued lease.

The lease was reissued for a 10-year term beginning March 1, 2020, and set to expire on February 28, 2030. On April 19, 2022, Michael Sheets Jr. sold the entirety of his interest in AHSO to Paul Goodson. On April 11, 2024, AHSO assigned the lease to Christopher and Akacia Nicholls dba Adonai Seafood Delights, LLC (ASD).

Scope of Decision:

The scope of this decision is to determine if it is in the State’s best interest to issue an aquatic farmsite lease amendment that increases Parcel 1’s acreage, adds a new species, and installs infrastructure and gear for new culture methods.

Authority:

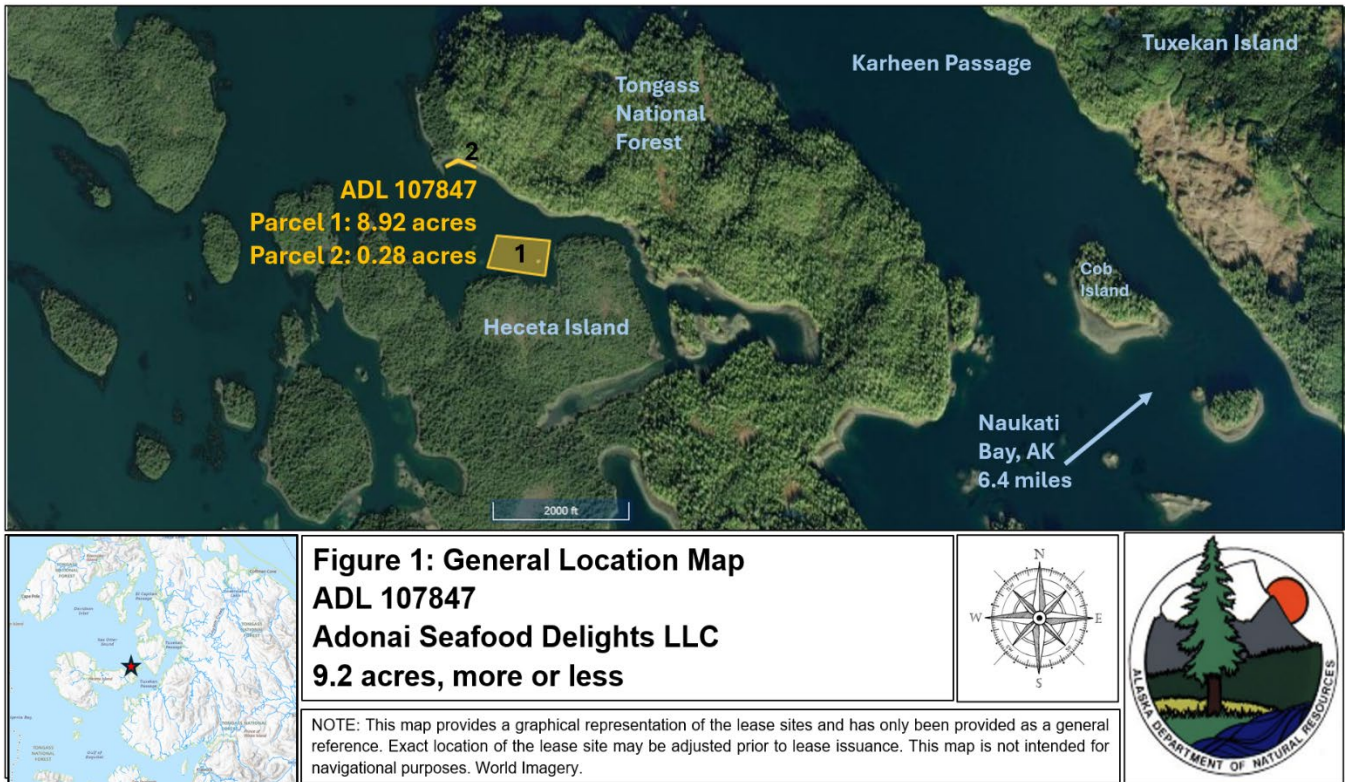
This lease amendment application is being adjudicated pursuant to Alaska Statute (AS) 38.05.035(e) Delegation of the Powers and Duties of the Director, AS 38.05.070(b) Generally, and AS 38.05.083 Aquatic Farming and Hatchery Site Leases.

The authority to execute the amendment Preliminary Decision, Final Finding and Decision, and the amendment lease has been delegated to the Regional Manager of the Southcentral Regional Land Office under AS 38.05.035(b)(1).

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 Prince of Wales Island Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 107847.

Figure 1: Overview Map of Project Area



Legal Description, Location, and Geographical Features:

The state tide and submerged land where the aquatic farmsite lease amendment proposal is described as follows:

- **Site reference name:** Karheen Passage
- **Geographic location:** Located on the northeast side of Heceta Island in an unnamed bay, on the north end of Karheen Passage, approximately 6.4 miles southwest of Naukati Bay, Alaska
- **Approximate Lat/Longs (NAD 83):**

Parcel #1: Suspended Grow-out Area 774.62 feet by 418.19 feet by 836.84 feet by 475.83 feet = 8.92 acres, more or less

	LATITUDE	LONGITUDE
NE Corner:	55° 47.904'N	133° 20.733'W
SE Corner:	55° 47.831'N	133° 20.772'W
SW Corner:	55° 47.812'N	133° 20.528'W
NW Corner:	55° 47.893'N	133° 20.507'W

Parcel #2: Intertidal area for grow-out and hardening: 46 feet by 448 feet by 330 feet by 44 feet by 352 feet by 474 feet = 0.28 acres, more or less

	LATITUDE	LONGITUDE
NE Corner:	55° 48.064'N	133° 20.824'W
SE Corner:	55° 48.061'N	133° 20.827'W
SC Corner:	55° 48.075'N	133° 20.896'W
SW Corner:	55° 48.062'N	133° 20.946'W
NW Corner:	55° 48.066'N	133° 20.949'W
SC Corner:	55° 48.080'N	133° 20.897'W

- **Legal description:** SW1/4 of Section 17 and NE1/4 of Section 18, Township 70 South, Range 79 East, Copper River Meridian, Alaska
- **Recording district:** Ketchikan Recording District
- **Existing parcel survey, if applicable:** None
- **Municipality/Borough:** None
- **Native Corporations/Federally Recognized Tribes:** Sealaska Corporation, Central Council of the Tlingit and Haida Indian Tribes of Alaska, Craig Tribal Association, Shaan-Seet Incorporated, Klawock Cooperative Association, Klawock Heenya Corporation
- **Size:** 9.2 acres, more or less.

Title:

A DNR Title Report (RPT-24222) was requested on January 23, 2026, from DMLW’s Realty Services Section. A Title Report issued from DMLW’s Realty Services Section will state whether the State of Alaska holds title to the subject tidelands under the Equal Footing Doctrine and the Submerged Lands Act of 1953. DMLW reserves the right to modify the Final Finding and Decision based upon information contained within the Title Report.

The most recent DNR Title Report (RPT-21629), issued on March 12, 2021, from DMLW’s Realty Services Section, attests that the State of Alaska holds title to the subject tide and submerged lands under the Equal Footing Doctrine and the Submerged Lands Act of 1953.

Third Party Interests:

No encumbrances or third-party interests exist that would prevent the issuance of the lease amendment.

Classification and Planning:

The project area is subject to the 1998 Prince of Wales Island Area Plan (POWIAP), Management Unit 10: Shaheen, Subunit 10a: Heceta Island. The tideland designation for this site is General Use and Recreation Land, which converts to a joint classification of Resource Management Land and Public Recreation Land described in Chapter 4 of the POWIAP. Parcel 1 of this leasehold is located in Public Recreation Land. Parcel 2 of this leasehold is located in Resource Management Land. The leasehold adjacent uplands are Tongass National Forest lands managed by the US Forest Service via the 2016 Tongass National Forest Land and Resource Management Plan (TNFMP).

Chapter 1 of the POWIAP outlines management intent and guidelines for aquatic farming operations. Aquatic farms should be sited to minimize overall conflicts and impacts with primary use area and upland access (1-7,8). The plan recommends concentrating sites to a few areas, with General Use as the most appropriate use area for operation (1-8). This leasehold is located outside of the area where Chapter 1 identifies 21 unsuitable locations where aquatic farm operations would not be permitted (1-8).

The uplands adjacent to both parcels are Tongass National Forest, managed by the US Forest Service and the 2016 TNFMP. The land use designation for the uplands is Old-Growth Habitat designated as Natural Setting. The standards and guidelines for Aquatic Farming in the TNFMP, Chapter 4 (4-29), describes that aquatic farming activities are an allowable use under this Natural Setting designation. There are no immediate log transfer facilities in the area, and reasonable access to the uplands is maintained, and development on the uplands is not proposed. Aquatic farm operations must comply with state and federal regulatory requirements outlined in the POWIAP and the TNFMP.

Chapter 2 of the POWIAP provides aquatic farm management guidelines in the Areawide Land Management Policies, Mariculture section: to “provide opportunities to increase income and diversify the state’s economy through the use of state tide and submerged lands for mariculture” as well as “maximize the optimum use of the most suitable mariculture areas” (2-19). Chapter 2 guidelines state that “mariculture may be allowed on state tidelands where there is no significant conflict” (2-19). Chapter 2 establishes three key guidelines for the consideration of approving aquatic farm operation proposals: that operation meet applicable local, state, and federal regulations before a lease is issued, that DNR must consider the upland management intent as described by the TNFMP, and finally, that aquatic farming is allowed where there is no significant conflict and does not inhibit access to primary and traditional uses (2-3).

Chapter 3 of the POWIAP describes the management intent and guidelines specific to aquatic farming in Subunit 10a. For Heceta Island, there is little private land available with no residential land disposals planned during the life of this plan, so aquatic farm operations have more opportunity (3-148).

In accordance with the POWIAP, aquatic farming is an allowable use with minimal conflict and is therefore consistent with the plan and all other pertinent regulatory authorities. The proposed operation must be in the best interest of the state before an authorization may be issued. Factors that are to be considered in this decision are identified in 11 AAC 63.050(b).

Traditional Use Findings:

The proposed lease is not located within an organized borough. AS 38.05.830 and 11 AAC 63.050(b)(5)(B) require consideration of whether the lease site impacts traditional and existing

uses of the site. The proposed leasehold falls within the ADF&G Game Management Unit (GMU) 2 which consists of Prince of Wales Island (POW) and all islands west of the center lines of Clarence Strait and Kashevarof Passage, south and east of the center lines of Sumner Strait, and east of the longitude of the westernmost point on Warren Island, and all seaward waters and lands within three miles of these coastlines. The proposed leasehold is also located within the ADF&G Southeast Alaska and Yakutat (Region 1) for fisheries that encompass all coastal waters and inland drainages entering the Gulf of Alaska between Cape Suckling and Cape Fairfield. The proposed leasehold falls within the ADF&G Prince of Wales Island Management Area for sport fisheries.

Hunting, Trapping, and Subsistence Hunting: The proposed leasehold falls within the ADF&G Game Management Unit (GMU) 2: Prince of Wales Island. The hunting regulations for GMU 2 list black bear, deer, wolf, and wolverine as species that can be hunted. ADF&G trapping regulations for GMU 2 lists Joe Mace Island Marine Park as an area closed to all trapping. Trapping regulations for GMU 2 list beaver, coyote, red fox, lynx, marten, and several other furbearers open for trapping.

Subsistence Fisheries: The proposed leasehold falls within the Southeast Alaska/Yakutat subsistence fishing area. Legal types of gear for subsistence salmon harvest fishing in the Yakutat Management Area include set gillnet, drift gillnet, beach seine, purse seine, hand purse seine, dip net, cast net, spear, handline, longline, power gurdy troll gear, and hand troll gear (as described in 5 ACC 39.105). Southeast personal use fishery state salmon, herring, groundfish, king crab, tanner crab, Dungeness crab, shrimp, and scallops can all be harvested. Herring are harvested in winter bait, sac roe, spawn-on-kelp, and bait pound fisheries. Miscellaneous shellfish such as sea cucumber, sea urchins, and geoduck clams are harvested in dive fisheries in the region. ADF&G has management jurisdiction over all groundfish resources within state waters as well as management authority for Demersal Shelf Rockfish, ling cod, and black and blue rock fish in both state and federal waters.

Commercial Fisheries: The proposed leasehold falls within the Southeast Alaska/Yakutat (Region 1) for commercial fishing. Region 1 encompasses all coastal waters and inland drainages entering the Gulf of Alaska between Cape Suckling and Cape Fairfield. This area is home to five salmon hatcheries, including the largest pink salmon and the second largest chum and sockeye salmon enhancement programs in the state. Salmon fisheries are a major economic driver within Prince William Sound, harvesting annually upwards of 74 million fish, according to ADF&G. Beginning in the early 1900s with razor clams, diverse shellfish fisheries including those for shrimp, scallops, king crab, Dungeness crabs, and Tanner crabs sustained area residents through the 1980s. As shellfish resources declined, fisheries developed for groundfish including Pacific cod, sablefish, and pollock. Commercially important shellfish species in the region include golden and red king crab, Dungeness crab, Tanner crab, and pandalid shrimp.

Sport Fisheries: The proposed leasehold falls within the ADF&G Prince of Wales Island Management Area for sport fisheries. Most sport fishing efforts in Marine waters usually occur from Late May through early September. Chinook fishing usually peaks in June with both May and July being very good. Coho peaks in August with good catches in both July and September. Halibut fishing also peaks during the summer months. The majority of the chinook and halibut effort and catch occurs on the 'outside' coast (the west coast of the island). One of the most popular freshwater fisheries with anglers every year is the great coho fishing found on POW. Most anglers target the "fall run" coho that usually begin entering POW streams in late August and peak in September. However, a few island streams contain runs of "summer run" coho, and these fish can be found in fresh water as early as late June (with July and August being the best time to fish for these returning salmon). The largest run of summer run coho on the island occurs at the outlet of Neck Lake near Whale Pass (a hatchery return) and this fishery remains good from late June through August. By far the largest coho return in the area is to the Klawock River. The Klawock River Hatchery releases millions of coho smolt annually, and the best time to fish for Klawock coho is from late August through September. There are many other fine coho streams to choose from on the island as almost all streams that contain anadromous salmon have a coho run.

The major marine sport fisheries are for chinook and coho salmon, and halibut, but also include other salmon species along with lingcod, rockfish and other bottom fish species. Major freshwater fisheries include all salmon species (except chinook) along with steelhead (including resident rainbow trout), cutthroat trout, and Dolly Varden char.

The proposed aquatic farm site should not interfere with traditional and/or existing uses of the area, including commercial or sport fishing, subsistence activities, boat travel, and recreation. Public and Agency Notice may reveal more unknown uses. If such information becomes available, any potential or existing conflicts will be addressed in the Final Finding and Decision.

Access:

Access to the aquatic farm is by boat from Naukati Bay, Alaska.

Access To and Along Navigable and Public Waters:

The site is located within the Karheen Passage.

AS 38.05.127 and 11 AAC 51.045 require that before leasing land, DMLW determines if a body of water is navigable and if it is, that DMLW provides for easements or reservations as necessary to ensure free access to and along the waterbody. The waters of Karheen Passage are tidally influenced and thus navigable. However, the lease is entirely within these waters and located further than 50 feet from Mean High Water, thus a .127 easement is not necessary.

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, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this project. As such, DMLW is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

Hazardous Materials and Potential Contaminants:

Hazardous materials, specifically batteries and fuel, will be stored within the proposed leasehold. Stipulations will be included in the lease to ensure proper handling and storage.

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 sites and managed and disposed of in accordance with state and federal law.

Agency Review:

An Agency Review was conducted on February 10, 2026, and ended on March 3, 2026. Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this PD. The following agencies were included in the review:

- DNR Division of Parks and Outdoor Recreation
- DNR DPOR Office of History and Archaeology, State Historic Preservation Office
- DNR Natural Resource Conservation and Development Board
- DNR Division of Oil and Gas
- Alaska Department of Fish and Game
- Alaska Department of Environmental Conservation
- Alaska Department of Transportation and Public Facilities
- Alaska Department of Commerce, Community, and Economic Development
- Alaska Mental Health Trust Land Office
- Alaska Association of Conservation Districts
- U.S. Forest Service
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- U.S. National Park Service
- National Oceanic and Atmospheric Administration
- U.S. Environmental Protection Agency
- U.S. Coast Guard

Agency Review Comment(s):

During the Agency Review, DMLW received two comments.

United States Army Corps of Engineers (USACE) comment:

The USACE provided an email dated February 10, 2026, stating,

Department of the Army authorization is required if anyone proposes to place dredged and/or fill material into waters of the U.S., including wetlands and/or perform work in navigable waters of the U.S.

Section 404 of the Clean Water Act requires that a DA permit be obtained for the placement or discharge of dredged and/or fill material into waters of the U.S., including jurisdictional wetlands (33 U.S.C. 1344). The Corps defines wetlands as those areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions.

Section 10 of the Rivers and Harbors Act of 1899 requires that a DA permit be obtained for structures or work in or affecting navigable waters of the U.S. (33 U.S.C. 403). Section 10 waters are those waters subject to the ebb and flow of the tide shoreward to the mean high-water mark, and/or other waters identified by the Alaska District. Aquaculture structures and work would require Section 10 Authorization.

DMLW response: DMLW acknowledges USACE’s comment. DMLW has provided a copy of the USACE comment to ASD on February 11, 2026, and notified them to contact USACE for permit information.

Alaska Department of Fish and Game (ADF&G) comment:

ADF&G’s Permit Coordinator submitted a letter on behalf of ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab and Fish Pathology), Division of Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section dated February 27, 2026. Within the letter from ADF&G is a Department Advisory, advising the applicant of general conditions pertaining to ADF&G’s statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) if the applicant’s project is approved. ADF&G also requests that the letter dated February 27, 2026, be included in the preliminary decision as an advisory to the applicant and for public reference. The letter states the following:

The Alaska Department of Fish and Game (ADF&G) has completed a preliminary review of the project proposal, ADL 107847 relevant to criteria specified in authorizations for Aquatic Farming AS16.40.105 and 5 AAC 41 200-400. ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab and Fish Pathology Section), Division of

Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section, were part of the initial review. There are no concerns pertaining to an aquatic farm operation permit amendment at the proposed location. Any comments from other government agencies or from the public that may impact applicable department provisions will be considered as part of the final department review for an aquatic farm operation permit amendment which will be issued within 30 days of the lease amendment being issued. Recommendations from this preliminary review are summarized below.

The following concerns and recommendations are noted in the ADF&G letter and may be addressed in the AFOP:

Department Advisory

Please advise the applicant that if the project is approved, general conditions pertaining to Alaska Department of Fish and Game statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) amendment will be included in the operation permit. In addition, site-specific conditions that have been recommended by staff may be included in the AFOP amendment.

Division of Wildlife Conservation

Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy updated in April 2024. Any advisories or mitigation steps recommunicated by NOAA Fisheries National Marine Fisheries Service (NMFS) or the US Fish and Wildlife Service (FWS) to reduce marine mammal disturbances should be followed. Large whales, especially humpbacks, are highly susceptible to entanglement in lines in the water; Removing all gear from the water during the non-growing season may minimize gear loss, user conflicts, and marine mammal entanglement and habitat exclusion potential. Any marine mammal entanglements should be immediately reported to the NMFS 24 hr. Stranding Hotline, phone – (877) 925-7773 and the ADF&G Permit Coordinator (907-465-4724).

DMLW response:

DMLW acknowledges ADF&G’s comment. As one of the resource managers in the area, ADF&G’s input is an important source of information. DMLW relies on input from ADF&G and other stakeholders to advise of any expected impacts and solutions that may fall outside of DMLW’s authority. A copy of the February 27, 2026, letter has been provided to the applicant. As requested by ADF&G, the PD herein contains ADF&G’s letter, with the full Department Advisory, which will be advertised for a 30-day public comment period.

DNR’s statutes and regulations for aquatic farmsite leases do not specify management of aquatic farms relating to fish and game but authorize DMLW to consider issuing a lease on state owned tideland, shoreland, and submerged land to develop aquatic farms. Management of fish and game

is within the authority of ADF&G, and as such, DMLW must defer to them and encourages the applicant to work directly with them. ADF&G may include the conditions it deems appropriate regarding fish and game to its operation permit authorization.

Lease Discussion

Adonai Seafood Delights, LLC submitted an amendment application to the Aquatic Farm Leasing Unit on October 20, 2025. The amendment requests to expand Parcel 1, with the addition of an oyster species, and new gear and infrastructure to support farm growth. After DMLW requested additional information, the amendment application was deemed complete on February 5, 2026. The application was submitted for a 20-day Agency Review from February 10 to March 3, 2026.

ASD proposes to expand Parcel 1 from 2.07 acres to 8.92 acres, more or less. The expansion would allow for the lessee to introduce Kumamoto oyster (*Crassaostra sikamea*), add new gear types for additional culture methods, and install infrastructure to support farm operations.

Within the west side of Parcel 1, 18 long lines 405-foot in length will be installed. The lines will be 15 feet apart and secured by two 1000-lb anchors on each end for a total of 36 anchors. The lines will support floating gear: half of the lines will contain approximately 200 Vexar bags per line held by foam or plastic floats, and the other half will contain approximately 405 flip baskets per line held by foam or plastic floats. Installation of Vexar bags and flip baskets on the long lines will occur over multiple years as budget allows. A 400-foot log breakwater will run from the northwest to southwest corner, and a 700-foot log breakwater will run from northwest corner to northeast corner.

Within the northeast half of Parcel 1, there will be 12 total grow out rafts separated into two groups of six with 40 feet between the groups. Each grow out raft measures 16 feet by 16 feet. Each group will have a central 2-foot by 72-foot walk dock in the middle, for a total of four walk docks total. The grow out raft clusters will be secured by two buoys and 1000-pound anchors to the north and south, and floated by 55-gallon plastic barrels on the east and west borders of the raft cluster. Each raft will contain 24 stacks of eight tray stacks for oysters that are suspended seven feet below the water line.

The southeast half of Parcel 1 will contain a 16 foot by 24-foot Floating Upweller System (FLUPSY) with eight silos. The FLUPSY will have a 16 foot by 20-foot support raft with a 10-foot tall wood framed storage shed with metal roof, two 16 foot by 16-foot storage and gear room floats, a 16 foot by 16-foot solar power float with a small 4-foot by 4-foot battery and fuel shed, a 16 foot by 32-foot boat house float to secure a boat as needed, a 16 foot by 16-foot crane float, and a 32 foot by 32-foot support facility and work float with a geodesic dome that is 20feet in diameter, metal frame and PVC covered. The geodesic dome will serve as an instructional and breakroom with desks, tables, chairs. Some of the proposed rafts and infrastructure are being salvaged from the current existing infrastructure on site and reconfigured to the dimensions and purposes

described above. The support structures material is constructed of locally sourced, untreated wood, with floatation provided by 55-gallon barrels, foam wrapped in plastic, or black poly floats. These work rafts will support routine oyster care, processing, and handling. The addition of varied gear types will help the lessee determine the most effective culture methods for their operation and utilize space.

Parcel 2 is 0.28 acres, more or less, and is used as an intertidal area for grow-out and hardening. Its size, location, and purpose will remain the same as described in the 2020 reissuance: Parcel 2 will hold approximately 4,000 Vexar bags for hardening, arranged in rows on the intertidal area. The Vexar bags are filled with approximately 100, two to three-inch Pacific oysters to be beach hardened for a period of one to two years. Following the hardening, the oysters are removed from the beach and returned to Parcel 1 suspended culture for final grow-out and harvest.

At this time the Commercial Use Requirement (CUR) states a farm must make annual sales of aquatic farm products of at least \$3,000.00 per acre or \$15,000.00 per farm by the commencement of the fifth year of operation and continue for the rest of the lease term. Failure to meet CUR constitutes a default and may be cause for termination. Annual reports on sales are due January 31 of each year. Annual reports on sales are due January 31 of each year. ASD did not meet the CUR in 2024 and 2025. The annual reporting requirement has not been met every year the lease was valid.

Should the proposed lease amendment be approved, the lease will be subject to the terms of DMLW's standard lease document, and any Additional Stipulations based, in part, upon the following considerations. The proposed aquatic farm lease amendment will be subject to the terms of DMLW's standard lease document effective at the time the lease is signed. The lease will also be subject to additional stipulations based, in part, upon the following considerations.

Amendment Development Plan:

The Amendment Development Plan (DP) attached to this decision (Attachment A) and dated February 6, 2026, is under consideration by DMLW. Should the proposed lease amendment 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 DMLW before any construction, deconstruction, replacement of infrastructure, or change in activity will be authorized. DMLW reserves the right to require additional agency review and/or public notice for changes that are deemed by DMLW to be beyond the scope of this decision.

Performance Guaranty:

In accordance with AS 38.05.083(e) and 11 AAC 63.080, ASD will be required to submit a performance guaranty for the lease to incentivize performance of the conditions of the lease and to provide a mechanism for the state to ensure that the lessee shares in financial burden in the event of noncompliance for site cleanup, restoration, and any associated costs after termination or

expiration of the leases, the following bonds will be required. ASD submitted a \$2,500.00 cash bond effective March 28, 2024, and as a requirement of the amendment request will owe \$1,135.00 for a total of \$3,635.00 to be held for the remainder of the lease.

\$3,635.00 Performance Guaranty: Performance guaranties provide a means to pay for corrective action if the lessee fails to comply with the lease requirements. The amount of the performance guaranty is based on the scope and the nature of the activity and the potential cost of restoring the site. Performance guaranties are subject to periodic adjustments being made during the term of the authorization to address increases or decreases in the costs of rectifying problems and rehabilitating state land due to inflation, changes in the level or nature of development, or other appropriate factors.

The Lessee must post a performance guaranty in the amount of \$3,635.00 to secure faithful performance with all terms and condition of the lease and to ensure site restoration of the leasehold. The performance guarantee must remain in effect for the duration of the lease term or until released in writing by the Authorized Officer (AO).

Failure by the Lessee to provide replacement security, upon notice of non-renewal of an existing form of security, shall be grounds for the AO to make a claim upon the existing security to protect the Lessor's interests.

The guaranty amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments to the lease, assignments, re-appraisals, changes in the development plan, approval of a reclamation plan, any change in the activities conducted or performance of operations conducted on the leased premises and as a result of any violations to the lease agreement.

The guaranty may be utilized by the AO to cover actual costs incurred by the State of Alaska to pay for any necessary corrective actions in the event the Lessee does not comply with the site utilization, restoration requirements and/or other stipulations contained in the lease agreement. If the Lessee fails to perform the obligations under the lease agreement within a reasonable timeframe, the AO may perform the Lessee's obligations at the Lessee's expense. The Lessee agrees to pay within 20 days following demand, all costs and expenses reasonably incurred by the State of Alaska as a result of the failure of the Lessee to comply with the terms and conditions of the lease agreement. The provisions of these authorizations shall not prejudice the State's right to obtain a remedy under any law or regulation.

The performance guaranty will be released upon expiration of the lease provided that all terms and conditions of the lease have been met, including complete removal and restoration of the leased area leaving the site in a safe and clean condition.

Bond Association: If three or more lessees post an association bond to cover all of their leases, the minimum security amount is 50 percent of the amount individually calculated for each lease. The association must designate an agent for notification purposes. The association has the right to be notified of the termination of a lease covered by its association bond. If neither the former lessee nor the association completes the site restoration as required by AS 38.05.090, the department will use the association bond for this purpose, up to 100 percent of the amount individually calculated for that lease. The association may remove a lease in good standing from the coverage of its association bond after 60 days' notice to the department, during which time the affected lessee must make other arrangements to comply with this section. A lease that is in default or that has been terminated with site restoration still pending may not be removed from the coverage of the association bond.

Reclamation Bond: The State will reserve 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:

To protect the State from liability associated with the use of the site, the applicant shall provide and maintain a comprehensive general liability insurance policy with the State of Alaska named as an additional insured party per the stipulations of the authorization. The applicant shall secure or purchase at its own expense and maintain in force at all times during the term of this lease, liability coverage and limits consistent with what is professionally recommended as adequate to protect the applicant and the State, its officers, agents and employees from the liability exposures of ALL the insured's operations on state land. The insurance requirement may be adjusted periodically.

Survey:

In accordance with AS 38.04.045, this short-term 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 lessee has submitted GPS coordinate point(s) for the corners of the proposed amendment.

Compensation and Appraisal:

DMLW has approved an administrative lease fee schedule for aquatic farmsites that meet the conditions outlined within the Aquatic Farmsite Fee Schedule, Report No. 2522-17. The most current lease fee schedule will be used to determine the fair market rental each lessee is required to pay. All fees are subject to adjustment per AS 38.05.083(c). This schedule serves as the basis for establishing annual rent for the use of tide, submerged, and shore lands suitable for aquatic farmsites.

For an aquatic farm lease of 9.2 acres, the annual rent consists of a base fee of \$450 for the first acre, plus \$125 per additional acre or portion thereof, resulting in a total annual amount of \$1,575.00

A breakdown of the aquatic farm annual lease fee will be as follows:
9.2-acres: (1 acre at \$450) + (9 acres at \$125) = **\$1,575.00/year.**

If the applicant does not agree with the fee schedule amount of \$1,575.00, a fair market value determination can be conducted by the applicant. Fair market value is determined by completing an appraisal which may also require a survey. If an appraisal is conducted to determine fair market value of the leasehold, the \$1,575.00 annual fee for the lease will no longer be an option. The appraisal cost will be borne by the applicant. The parcel may need to have an approved Alaska Tideland Survey to accomplish the appraisal. If a survey is required, the cost will be incurred by the applicant.

Subleases:

Subleasing is permissible through AS 38.05.095, if the proposed lease amendment is approved. A sublease is defined to include any lease, rental, storage, or accommodation agreement between the Lessee and another individual, business or corporation utilizing or benefiting from the lease parcel. Sublessee shall be defined to mean any individual or business entity executing an agreement, as above, with 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 DMLW. DMLW may conduct further agency review and/or public notice before making a determination on the appropriateness of the proposed sublease. The sublease fee will be 25% of the annual fee paid to the lessee by the sublessee. All sublessees and activities must meet the statutory qualifications under which this original lease was issued.

Assignment:

The proposed aquatic farm lease amendment, if issued, may be assigned to another individual or corporation only with written approval from the State of Alaska. A lease will not be assigned to an entity if that entity does not meet the statutory qualifications or requirements of the lease, or if the lessee is considered not to be in “good standing” with this or any other agency authorization.

Reclamation:

In accordance with AS 38.05.090(b), all lessees must restore their lease sites to a “good and marketable condition” within 120 days after termination of the lease.

Public Notice:

Pursuant to AS 38.05.945, this PD will be noticed for a 30-day public comment period, starting on April 9, 2026. The Naukati Bay, Edna Bay, Craig, and Klawock post office(s) located near the proposed leasehold will be requested to post the notice pursuant to AS 38.05.945(b)(3)(C). The notice will also be posted on the State of Alaska Online Public Notice website pursuant to AS 38.05.945(b)(3)(B) located at: <https://aws.state.ak.us/OnlinePublicNotices/Default.aspx>.

Additionally, Public Notice will be sent to Regional Corporations, Village Corporations, Municipality/Borough, neighboring property owners, DMLW authorization holders, and other interested parties.

The public is invited to comment on this PD. All comments received during the public comment period will be considered in the Final Finding and Decision (FFD). A copy of the FFD, along with instructions on filing an appeal, will be sent to all persons who comment on the PD. If public comments result in significant changes to the PD, additional public notice may be given.

To be eligible to appeal, a person affected by the FFD must provide written comments during the public comment period.

Written comments about this project must be received in this office no later than 11:59 PM on May 11, 2026, to be considered.

To submit comments please choose one of the following methods:

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

DNR-DMLW complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, or special modifications to comment should contact Alaska Relay at 711 or 1-800-770-8973 for assistance at no cost.

Signature Page Follows

Recommendation:

DMLW has completed a review of the information provided by the lessee, examined the relevant land management documents, agency comments, and land ownership, and has found that this proposed lease amendment is consistent with all applicable statutes and regulations. DMLW considered both direct and indirect benefits to the State. DMLW finds granting of the proposed lease amendment provides the greatest benefit to the State.

I recommend proceeding to public notice for the purpose of providing the members of the public and those entities identified in AS 38.05.945 with an opportunity to review and submit comments.



04/06/2026

Emily Gettis
Natural Resource Specialist 3

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 an aquatic farm lease amendment for the remainder or the lease term to Adonai Seafood Delights, LLC, as described above. This Preliminary Decision shall now proceed to public and agency notice.



04/06/2026

Cinnamon Micelotta, Acting Natural Resource Manager 2
Southcentral Regional Land Office
Division of Mining, Land, & Water

Date

Attachments

- Attachment A – Amendment Development Plan
- Attachment B – ADF&G Letter
- Attachment C – SAMPLE Amendment to Lease Agreement

Attachment A Amendment Development Plan

Add or significantly² modify support facility

- Section E (if floating facility)
- Sections E & F (if upland facility)
- Section D-3 c (Site Plan Map with facility)
- Section D-3 d (Cross Sectional Diagram of facility)
- Section D-3 e (Detailed Drawing of facility)

Other² Add species Kumamoto oysters Dependent on amendment request

²Significant modifications include changes that increase obstructions to navigation or to other public uses.
²Other includes production changes or species added if associated with changes to farm site boundary/location.

C. Amendment Description

In the space provided below, please provide a general description of your proposed changes to your aquatic farm site and operations. This should be a narrative of your amendment request that includes changes to your project location or size, new overall size including any hardening areas, all species you intend to culture, type of farm gear, equipment, support facilities, and associated housing to be used including size, number, and construction materials. Your narrative should match the rest of the application information you provide. If a section does not apply to your proposed amendment, please state so. If additional space is necessary, please attach a separate document labeled "AMENDMENT DESCRIPTION". Example information for project narrative can be found in Attachment I.

Doc. Attached
Company Name (if being changed)

No

Site Location Modifications

See Attachment

New Site Dimensions, Acres for Each Parcel (New Dimensions and calculated area in acres for each parcel being amended and total area in acres of farm after amendment)

Parcel #1					
N		S	E	W	
774.62	x	836.84	x	475.83	= 8.92
					<u>.28</u>
Parcel #2					9.20
		NO Change			

Attachment A
Amendment Development Plan

New Support Facilities (List any new support facilities, i.e. caretaker, storage, processing facilities, work rafts, etc.)

- 32'x32' Float w/20' geodesic Dome Breakroom/Training area
 - 16'x16' Float Solar/Power Float
 - 16'x32' Boat House Float
 - 2- 2'x72' Growout Dock
 - 2 16'x16' Float w/storage room
 - 5 more 16'x16' Grow out rafts
- log breakwater nw-sw boundary
400 ft, n-ne boundary 700 ft
-16x20 storage float for FLUPSY
-16x16 crane float
-16x24 FLUPSY

Construction Materials of New Support Facilities and Equipment (Note: All floating raft structures should use non-treated wood supported by closed cell expanded polystyrene or equivalent material)

all new support facilities will be constructed of spruce, Fir, Hemlock or cedar, metal or poly carbonate roofing. Floatation will be 55 gallon plastic barrels, foam wrapped in plastic or Black Poly floats.

Species You Intend to Farm (for New Parcels or Changes to Species) (Include scientific and common species name)

we plan to add Kumamoto oyster *Crassostrea sikamea*
currently farming Pacific oysters *Magallana gigas*

For New Parcels or Changes to Culture Methods (Describe operation activities to be done onsite such as outplanting of seedstock, husbandry techniques to be used (culling, sorting, washing, etc.), maintenance and monitoring activities, management of fouling organisms and incidental species, predator control measures, and schedule of activities such as timing of outplanting seeded lines or adding seedstock into trays, etc. Describe what methods you plan to use based on the definition in [5 AAC 41.400\(6\)](#). "Culture" means to use or the use of methods to manipulate the biology and the physical habitat of a desired species to optimize survival, density, growth rates, uniformity of size, and use of the available habitat, and to efficiently produce a product suitable for a commercial market.)

see attachment culture methods

Attachment A Amendment Development Plan

D. REQUEST FOR SITE BOUNDARY/LOCATION MODIFICATIONS (if applicable)

1. Coordinates

If this amendment request involves modifying the farm site boundaries, please provide new latitude and longitude coordinates for each corner of each parcel at the farm site you are requesting to modify. Parcel designations (number and name) must be the same as in the original lease/permit if modifying existing parcels. Identify each parcel to be used. For example, Parcel 1 - growing area, Parcel 2 - hardening area, etc. Latitude and longitude coordinates must be in NAD83 datum using degrees and decimal minutes format to the nearest .001 minute (Example: Longitude -133° 17.345), obtained using a Global Positioning System (GPS). If you are applying for more than three parcels or your proposed parcels have other than four corners, please provide those coordinates in your project description or on a separate sheet.

Parcel 1:

Grow Out
(e.g. Grow-out Area)

NE Corner No. 1: Latitude 55° 47.904' N Longitude 133° 20.733' W
 SE Corner No. 2: Latitude 55° 47.831' N Longitude 133° 20.772' W
 SW Corner No. 3: Latitude 55° 47.812' N Longitude 133° 20.528' W
 NW Corner No. 4: Latitude 55° 47.893' N Longitude 133° 20.507' W

Parcel 2:

No Change
(e.g. Hardening Area)

NE Corner No. 1: Latitude 55° 48.084' N Longitude 133° 20.824' W
 SE Corner No. 2: Latitude 55° 48.061' N Longitude 133° 20.827' W
 SW Corner No. 3: Latitude 55° 48.062' N Longitude 133° 20.946' W
 NW Corner No. 4: Latitude 55° 48.066' N Longitude 133° 20.949' W

Parcel 3:

(e.g. Support Facility Area)

NE Corner No. 1: Latitude _____ Longitude _____
 SE Corner No. 2: Latitude _____ Longitude _____
 SW Corner No. 3: Latitude _____ Longitude _____
 NW Corner No. 4: Latitude _____ Longitude _____

2. Site Size

Please use the following formula to compute area. For more complex parcel shapes, you may wish to use the Measure Area tool in Alaska Mapper found at <https://mapper.dnr.alaska.gov/>. If you are applying for more than three parcels or your parcels are not rectangular, you may provide this information in the project description or on a separate sheet.

1. To compute the total area (sq. ft), multiply the width (ft) by the length (ft) of Parcel 1. The outside length and width of the Parcel must include your anchors and anchoring system plus any scope. Triangles
2. Divide the area (sq. ft) of Parcel 1 by 43,560, to convert the area from sq. ft to acres.
3. Repeat for each separate Parcel of your proposed amended farm site.
4. Add the acreage of each Parcel to get the total tideland acreage for your proposed amended farm site.
5. Write the Total Acreage on the line where indicated.
6. Note that the number of acres must correspond to your farm site maps and drawings.

Parcel 1: _____ feet (x) _____ feet = _____ square feet (+) 43,560 = 8.92
 (Width of Parcel 1) (Length of Parcel 1) (Area) (Acres)
 Parcel 2: _____ feet (x) _____ feet = _____ square feet (+) 43,560 = 0.28
 (Width of Parcel 2) (Length of Parcel 2) (Area) (Acres)
 Parcel 3: _____ feet (x) _____ feet = _____ square feet (+) 43,560 = _____
 (Width of Parcel 3) (Length of Parcel 3) (Area) (Acres)

Attachment A Amendment Development Plan

Amendment description

Parcel 1 is the water lease:

A. **Acreage:** We will increase our water lease acreage from 2.07 to 8.92 acres

B. **Floating Gear:** We want to use the added acreage to install 18 lines 15ft apart and 405 ft long of floating gear. This will be made up of flip farm gear as we can afford to install. See Figure 4 drawing of flip farm line.

Short term floating gear are vexar bags with foam or plastic floats.

C. **Floating infrastructure** will be added: a 32'x32' Float made to hold a 20ft metal and Pvc covered geodesic dome to be used as an instructional learning area, lunchroom and break room

See figures 14 and 15

D. **Grow out Rafts:** An increase in 16'x16' ft grow out rafts from 7 to 12 rafts.

See figure 16

E. **Solar Float:** A 16'x16' Solar float with a 4'by4' building to hold batteries and fuel

See figures 17 and 18

F. **Break Water:** A new break water made of logs to be installed on the NW, SW 400 ft boundary. Also on NW, NE boundary as well. 700 ft

See Figure 20

G. **Current Float:** with 20x20 processor building will be salvaged and used as a processor. Decking and layout around building will be replaced as needed.

H. **Flupsy:** Flupsy will be added to the farm 16x24 being its own raft with 8 silos and a

See figure 12

I. **Storage building** for flupsy on a 16'x20' raft

see figure 13

J. **Gear storage:**² replacement 16'x16' gear storage.

See figure 19

K. **Raft Docks:** 2 Grow out raft docks 2'x72'

L. 16x16 Crane float: figures 5-7

See figure 8

Parcel 2 the beach lease: This will remain the same and will be used as the lease currently is described =0.28 acres

Amendment page 2

Attachment A

Amendment Development Plan

Culture Methods

Old culture and harvest processing methods will still be used.

Old culture method:

Oysters will be tumbled and sorted at appropriate timing to maximize growth rate and survival rate. Harding beaches to be used as needed

New culture method:

A flupsy we will be raising our own seed stock.

We will be sorting and tumbling to a 12 mm plus size at which time they will be transferred out to floating vexar bags or flip farm gear

New are the Float long line gear = vexar bags and flip farm gear.

Seed will be stocked approximately 500 per unit. Units will be flipped and air dried as often as appropriate for growth when density per unit reach's our limit. Units will be emptied, and oysters will be tumbled and sorted by size and shape then redistributed to appropriate gear.

Information for page 3

Attachment A

Amendment Development Plan

Parcel changes to culture Gear and Equipment

Parcel 1:

Floating long line gear to be added which includes

Vexar bags with foam floats or plastic floats will be on ½ inch line approximately 405 ft. long. The line will be secured to sea floor at both ends with 35-gallon plastic barrels filled with concrete/rock weighing approximately a 1000lbs. with a line buoy. At an average of 16'-24'. There will be approximately 200 bags per line. These will be attached by longline clips. The gear is to remain in the water all year. Two lines to be installed summer 2026. Part of the 18 lines will be vexar bag lines.

Flip Farm Baskets will be on a 1" line approximately 405' long secured to seafloor with 35-gallon barrels filled with concrete/rock approximately 1000 lbs. anchor line to Bouie with average seafloor depth of 16'-24'.

A weighted haul out line runs the line length and attaches to anchor line there will be approximately 405 units /baskets per line. Lines to be installed over next 10 years as we can afford and as needed.

Response to page 4

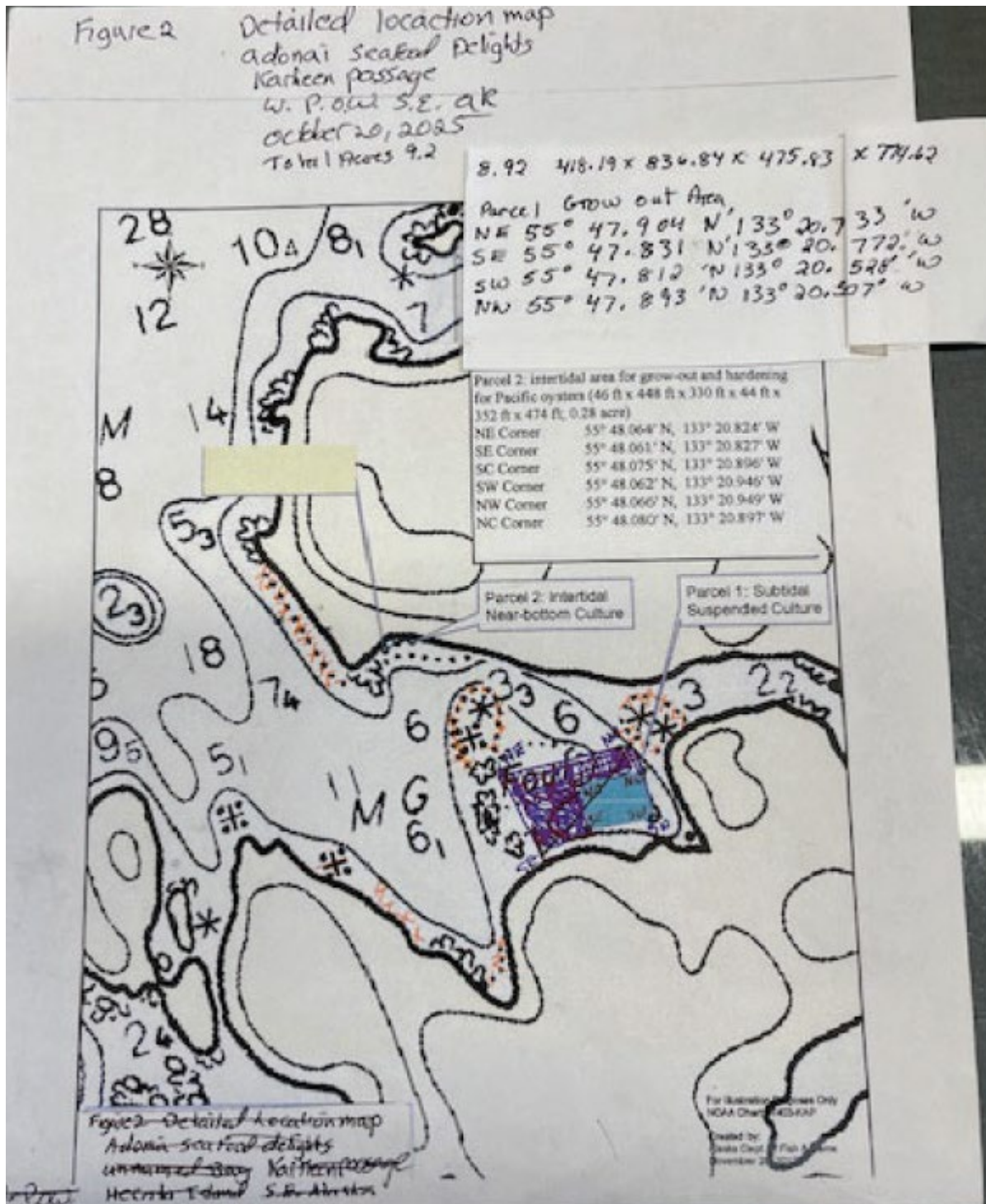
Attachment A

Amendment Development Plan

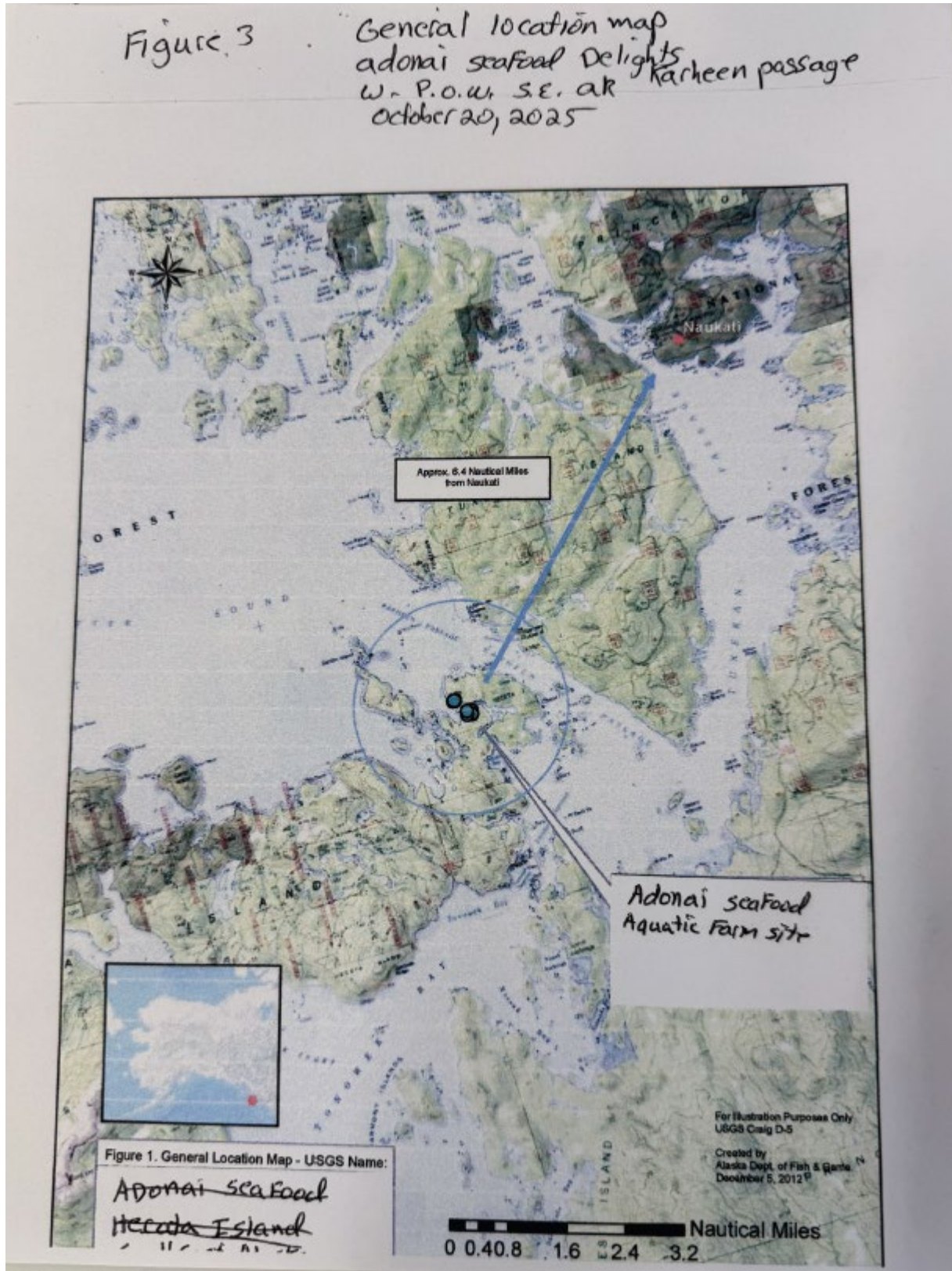
Figure Legend

1. Site Plan Map
2. Detailed Location Map
3. General Location Map
4. Floating Gear Detail
5. Crane Float Framing
6. Crane Float Side view
7. Crane Float End view
8. Grow out raft Dock Detail
9. Boat shed Dock
10. Boat shed Dock Floor plan Detail
11. Boat Shed Dock Back and side Detail
12. Flupsy Diagram
13. 16x16 Storage Shed Float
14. Dome Float Side View
15. Dome Float Floor Plan
16. Grow out Raft
17. Solar/Power Float
18. Solar Power shed
19. Drying/Storage Raft
20. Break away

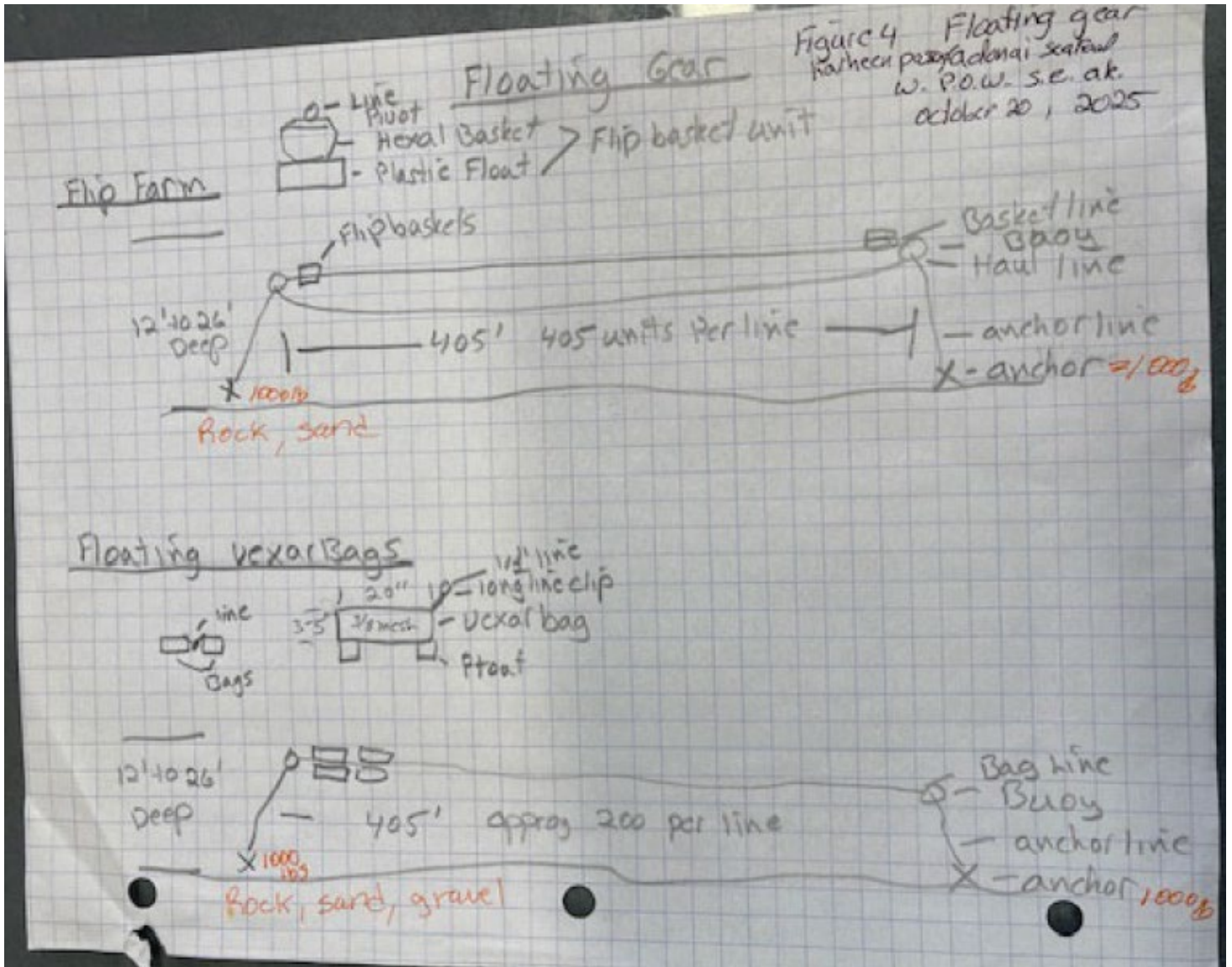
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Amendment Development Plan**



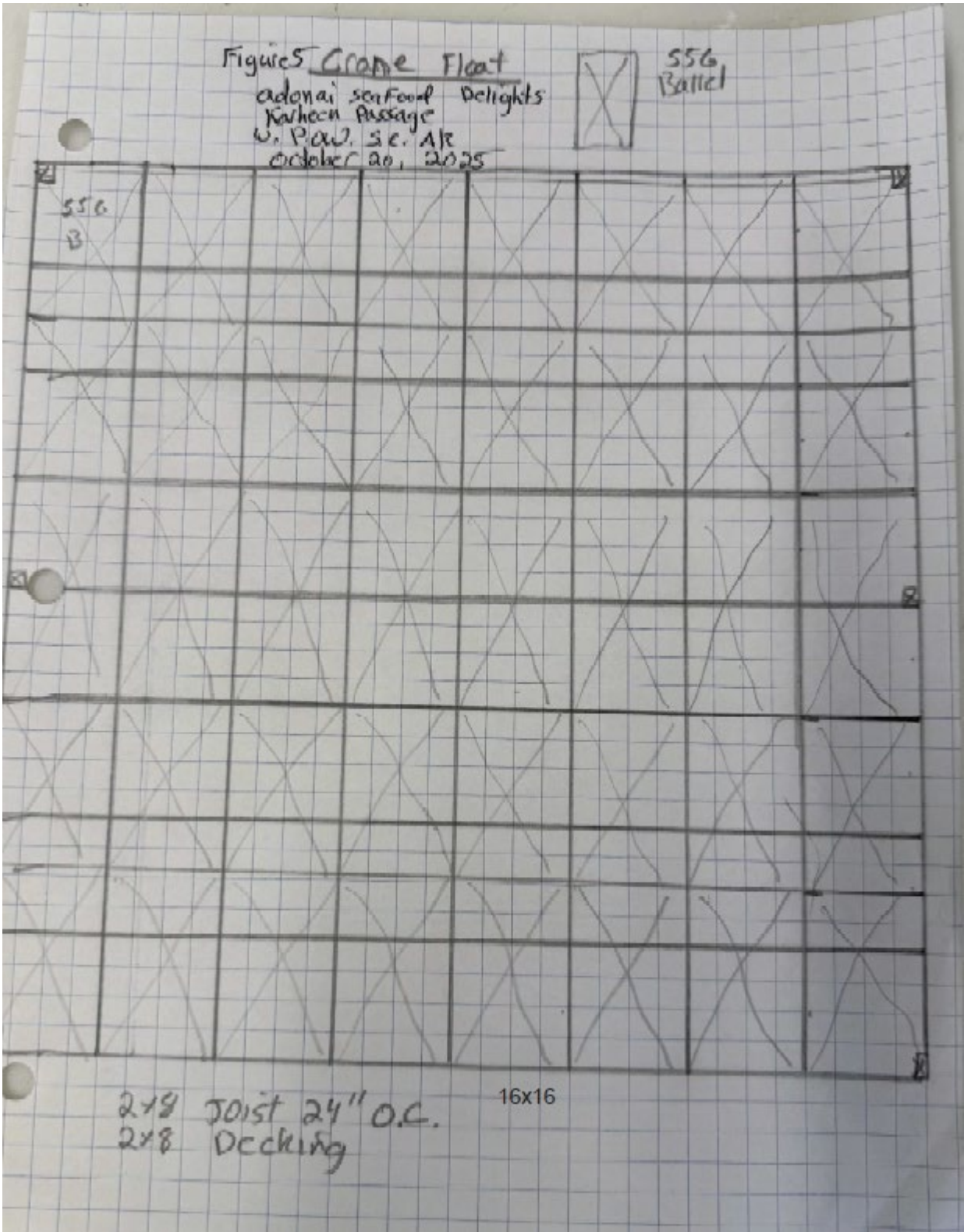
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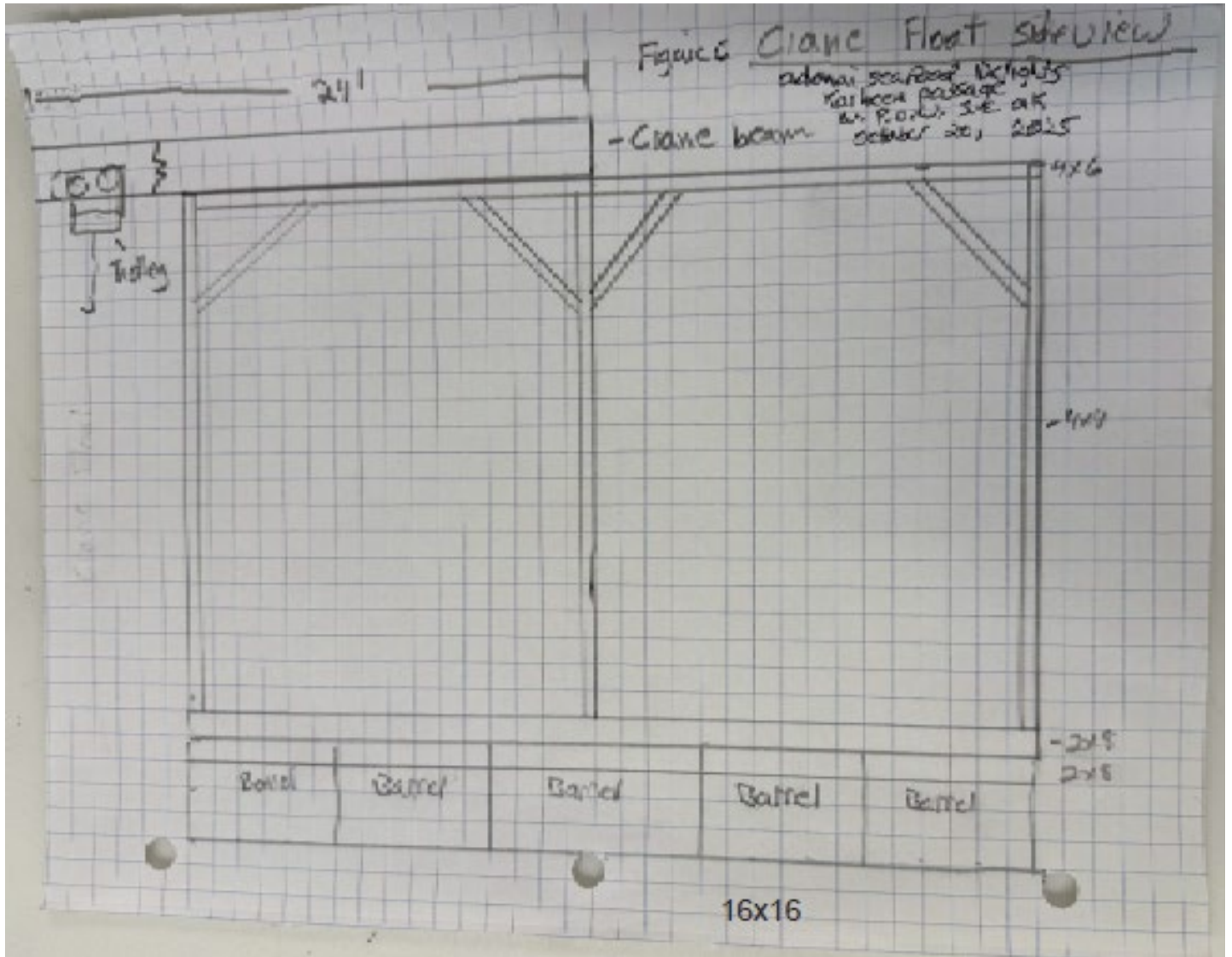
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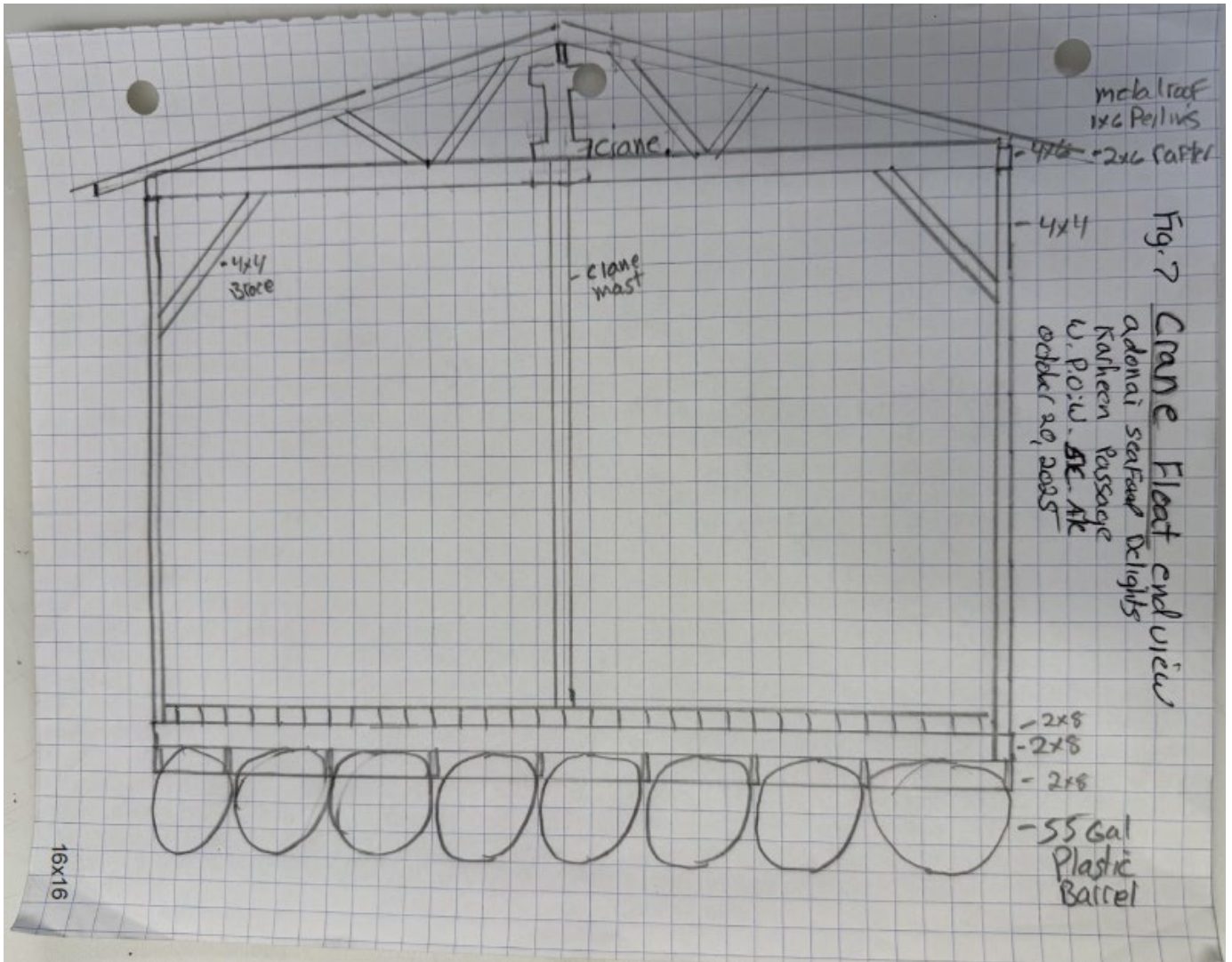
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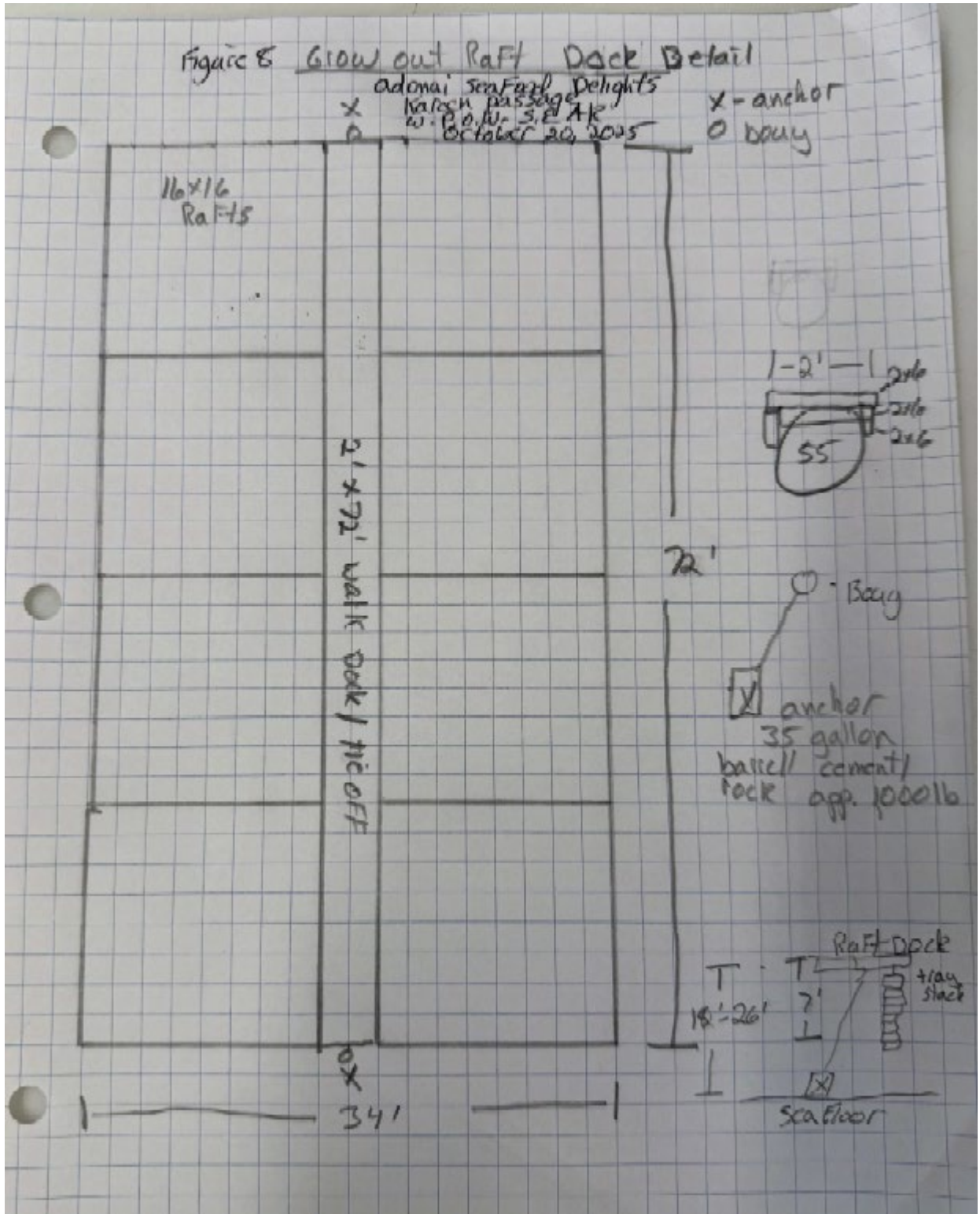
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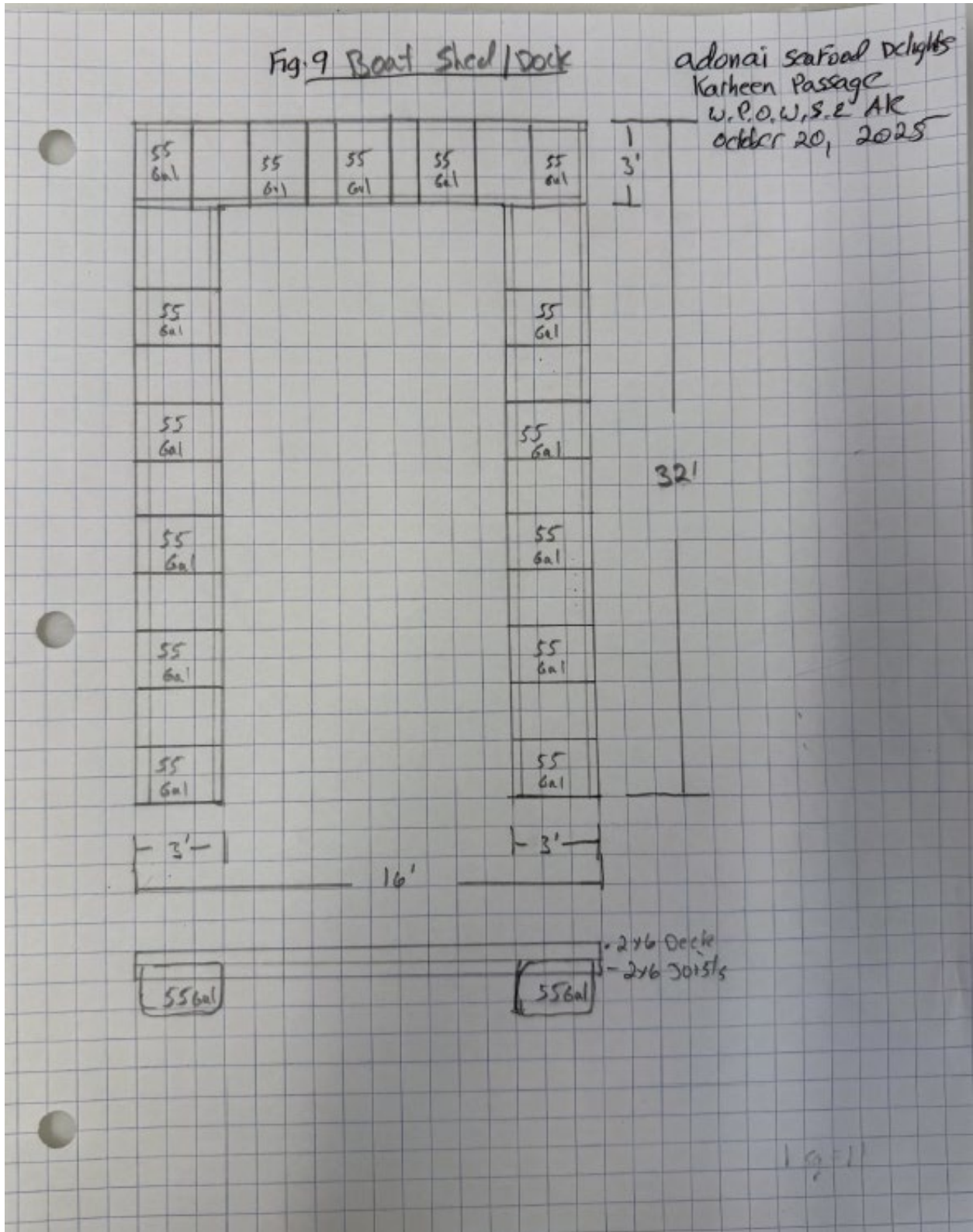
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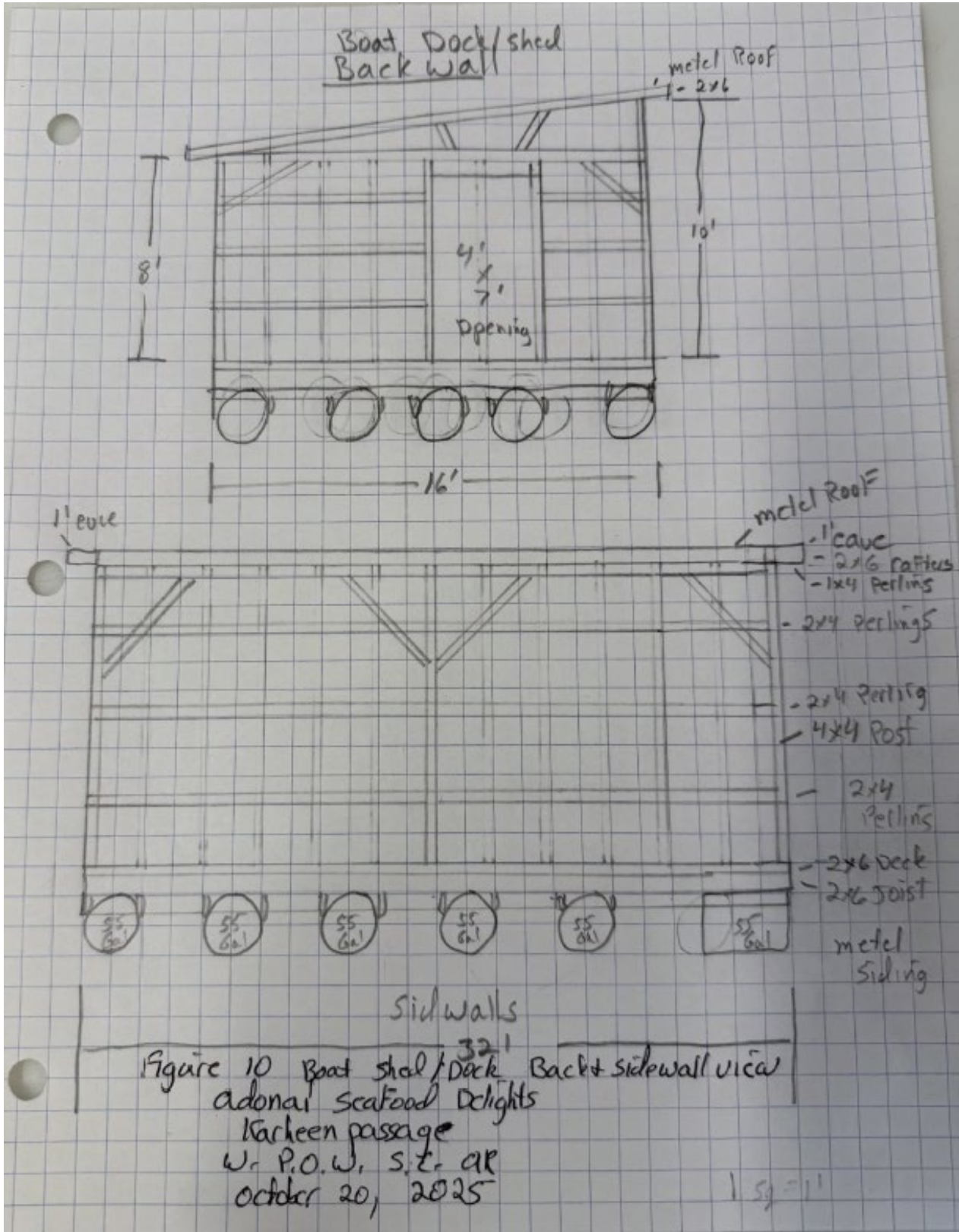
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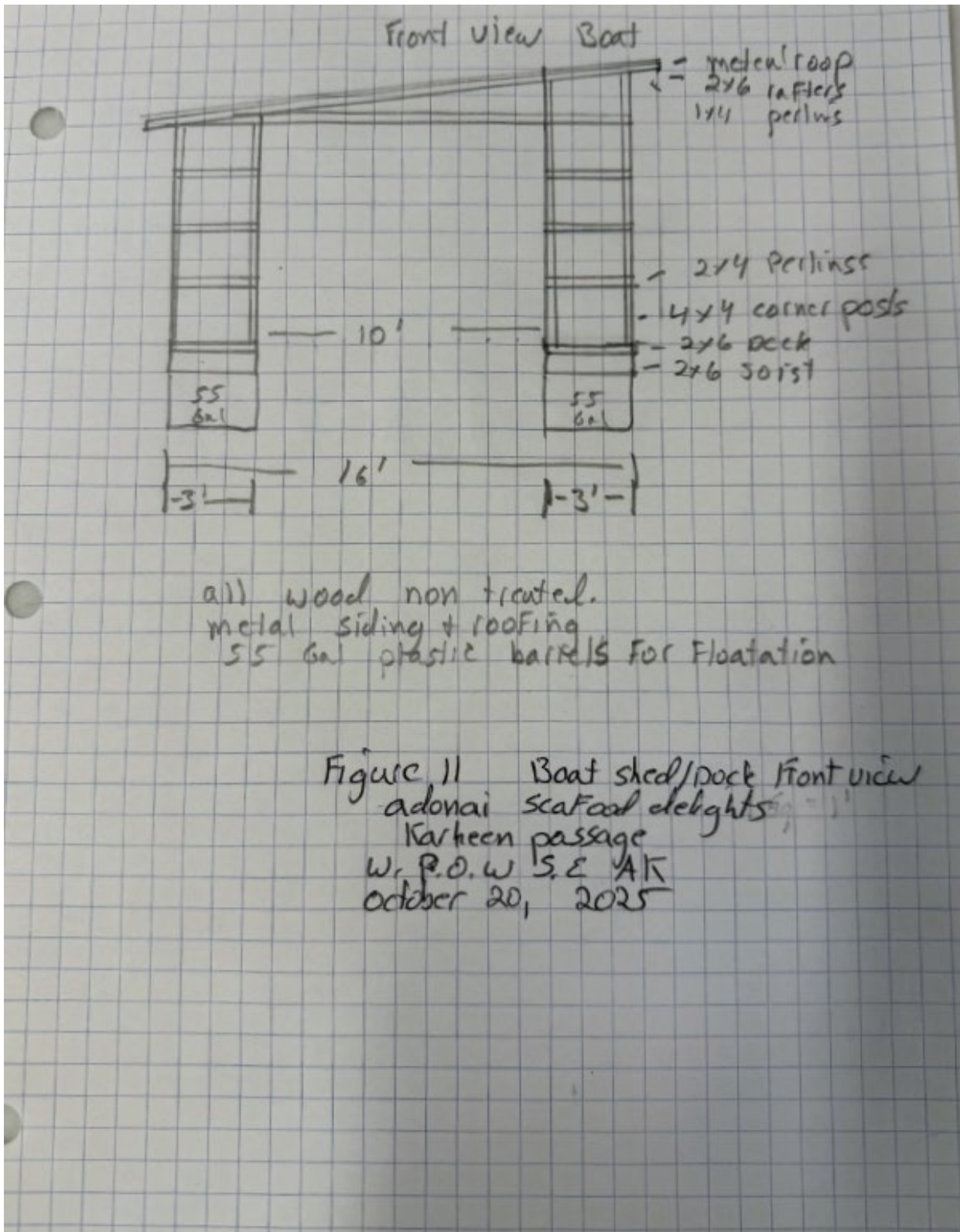
Attachment A
Amendment Development Plan



**Attachment A
Amendment Development Plan**



Attachment A
Amendment Development Plan



Attachment A
Amendment Development Plan

Figure 12 Flupsy Diagram
adonai SeaFood Delights
Katherine Passage
W. P. O. W. S. E. AK
October 20, 2025

16x24 FLUPSY
8 silos

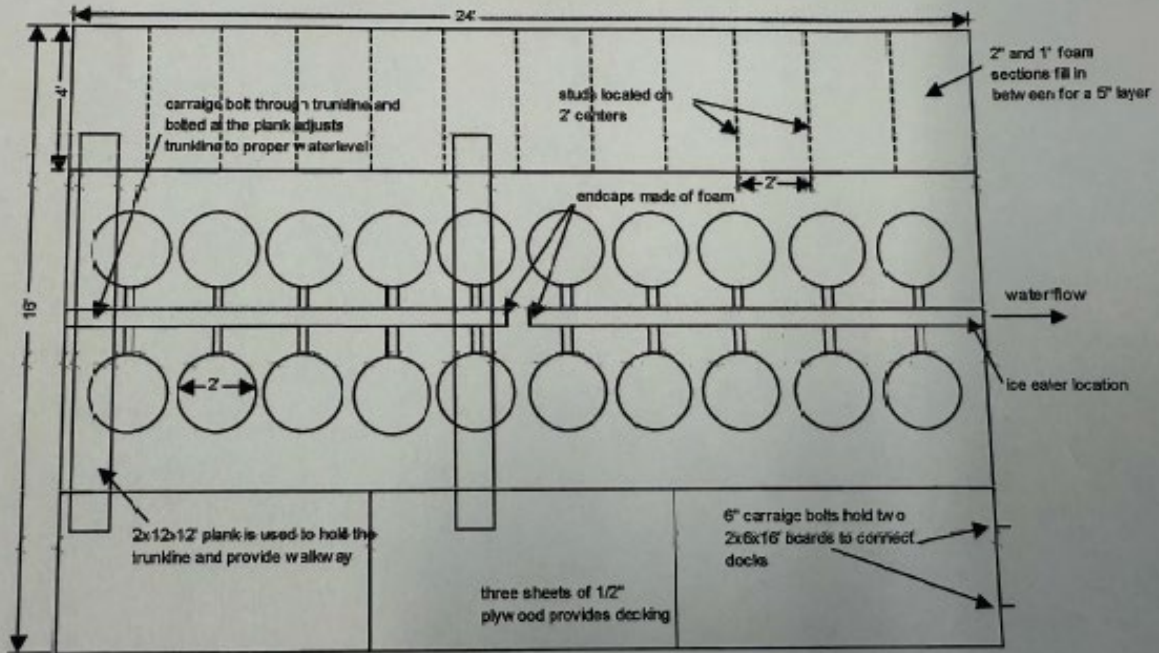
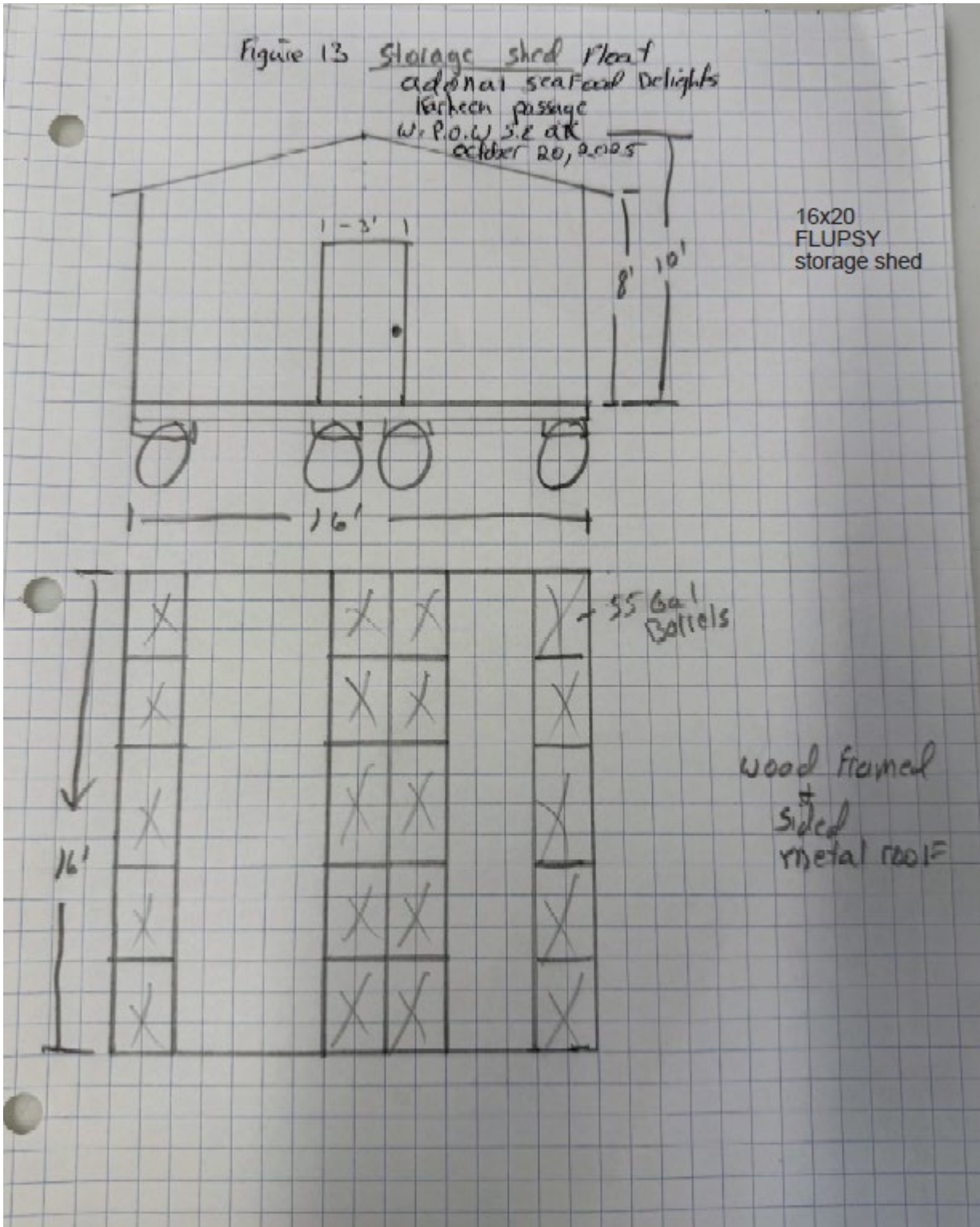
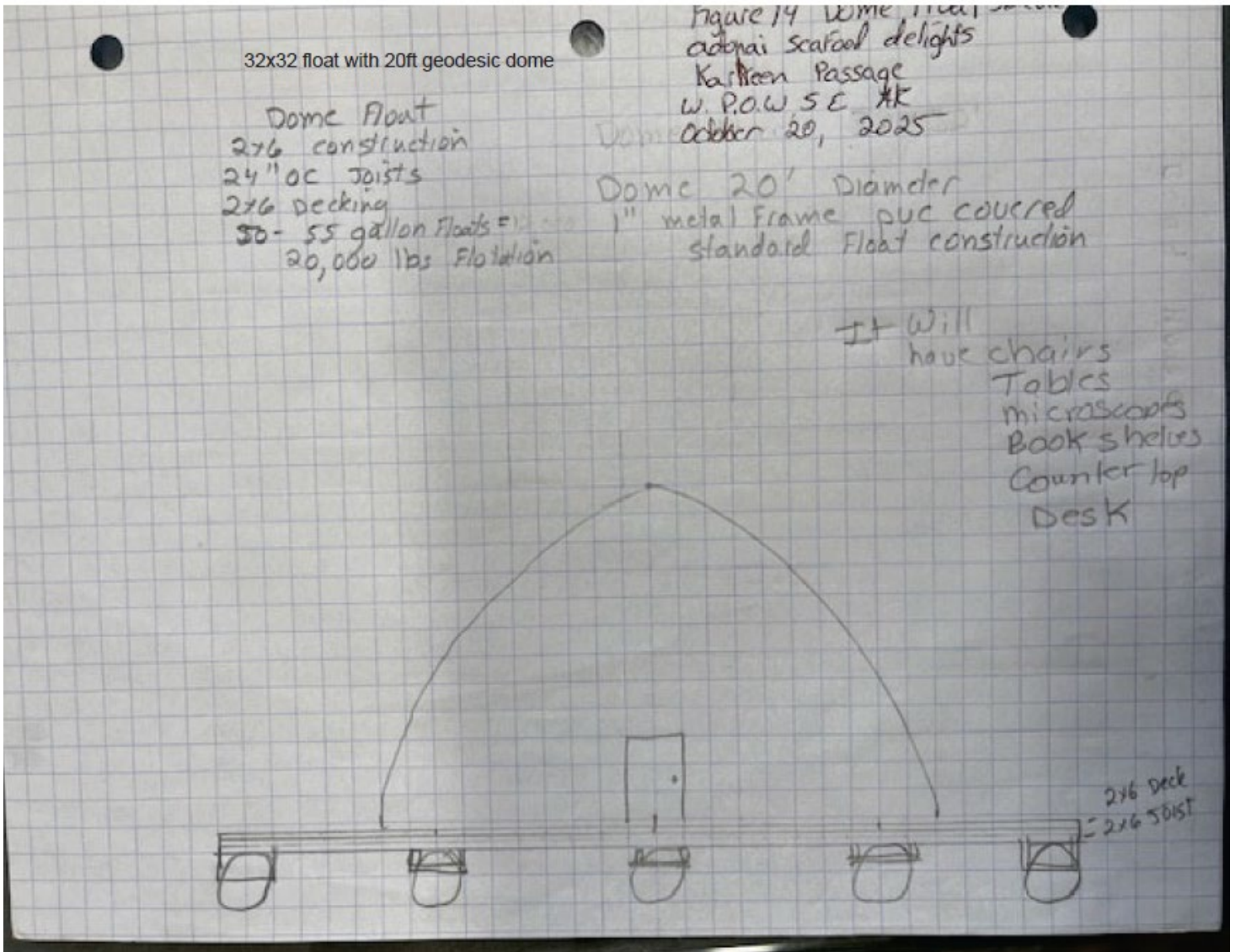


Figure 12 Diagram of a [redacted] FLUPSY with catamaran dock

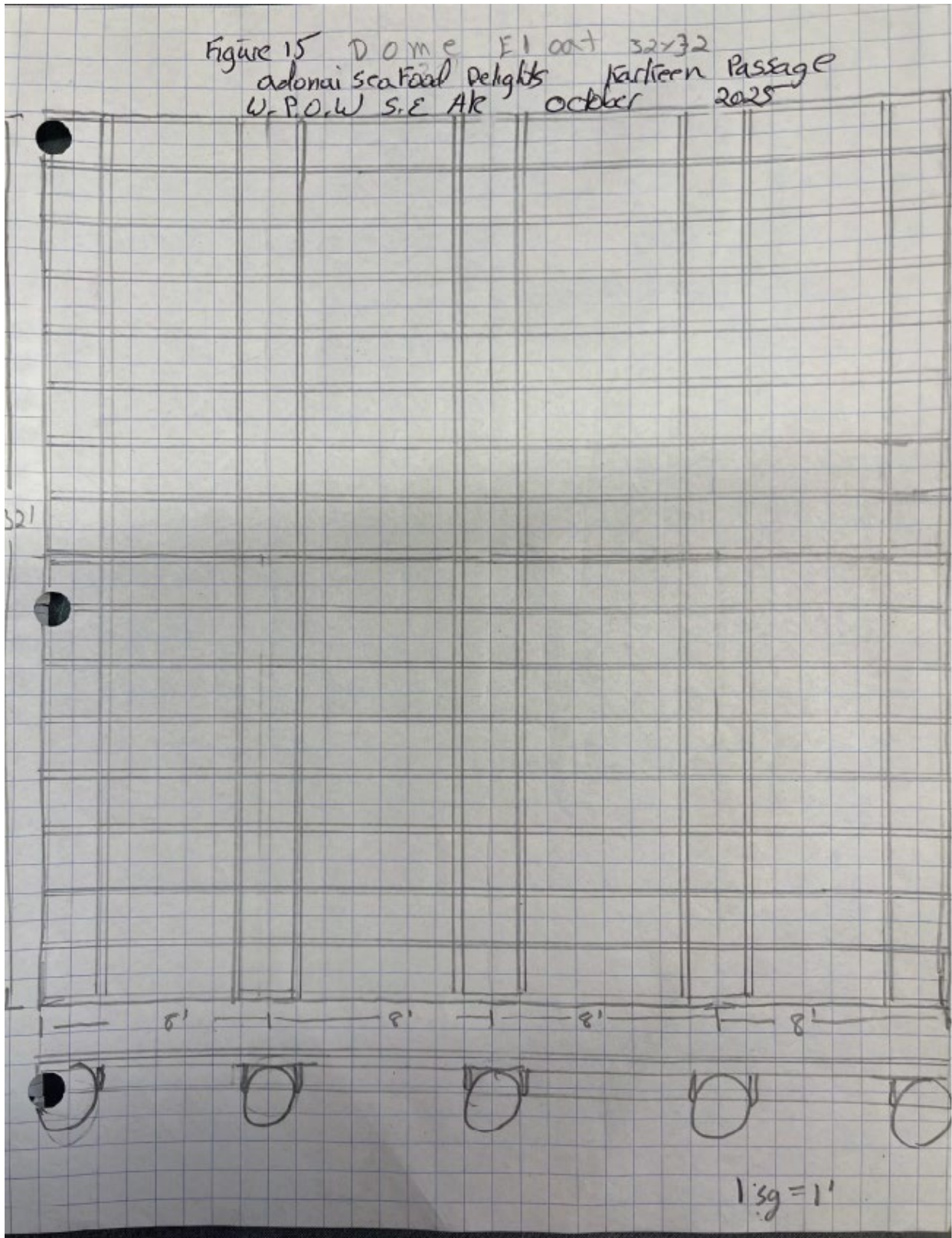
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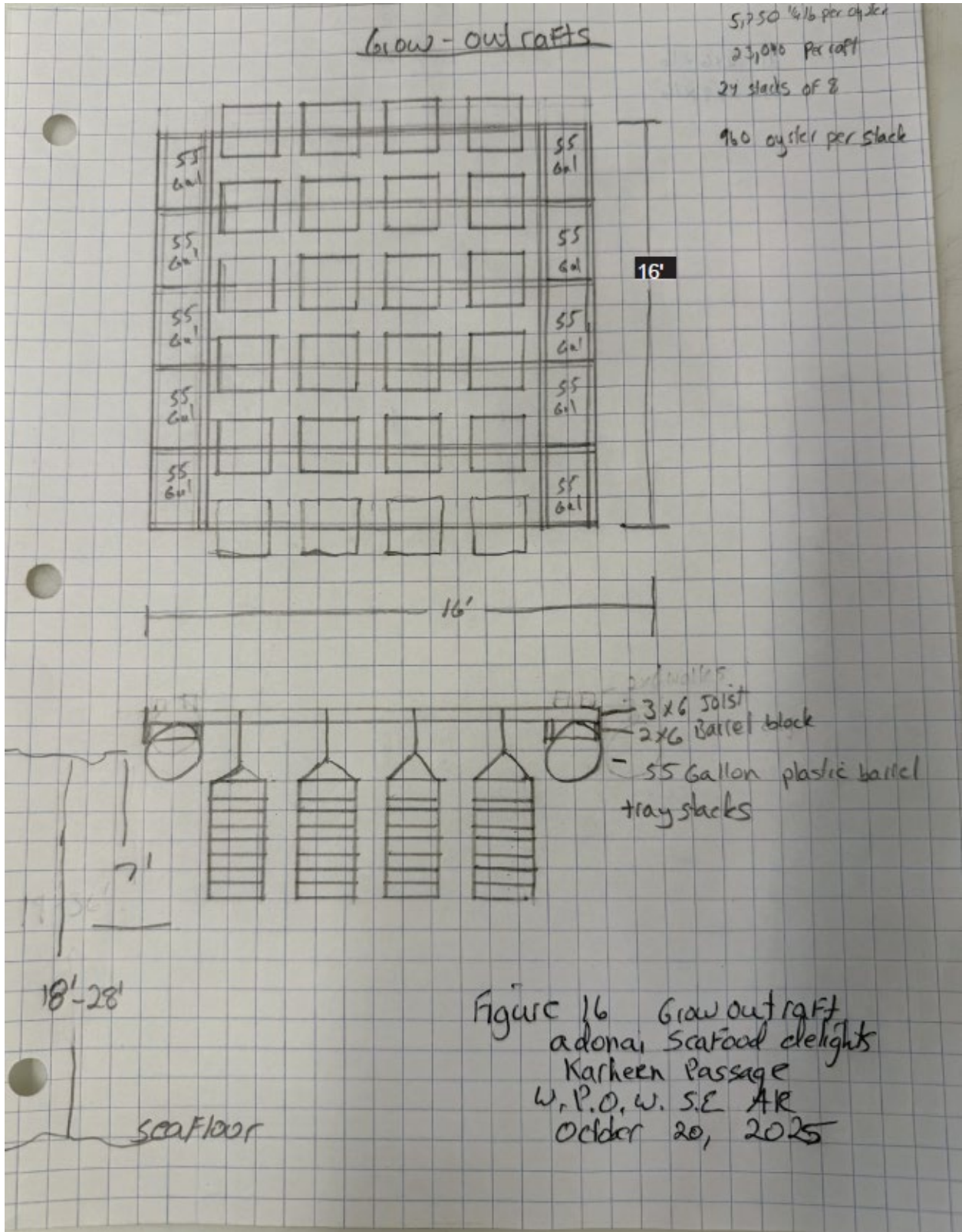
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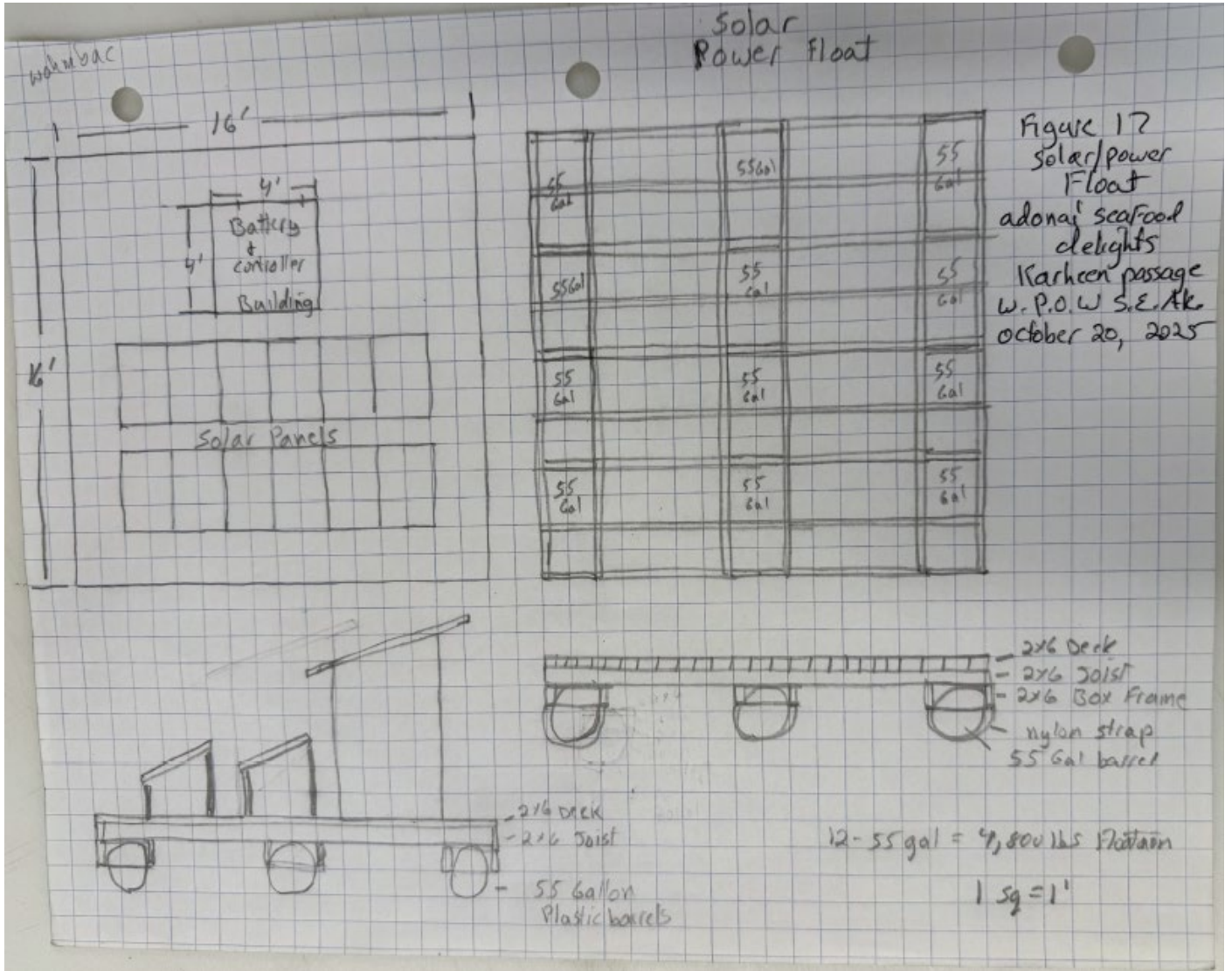
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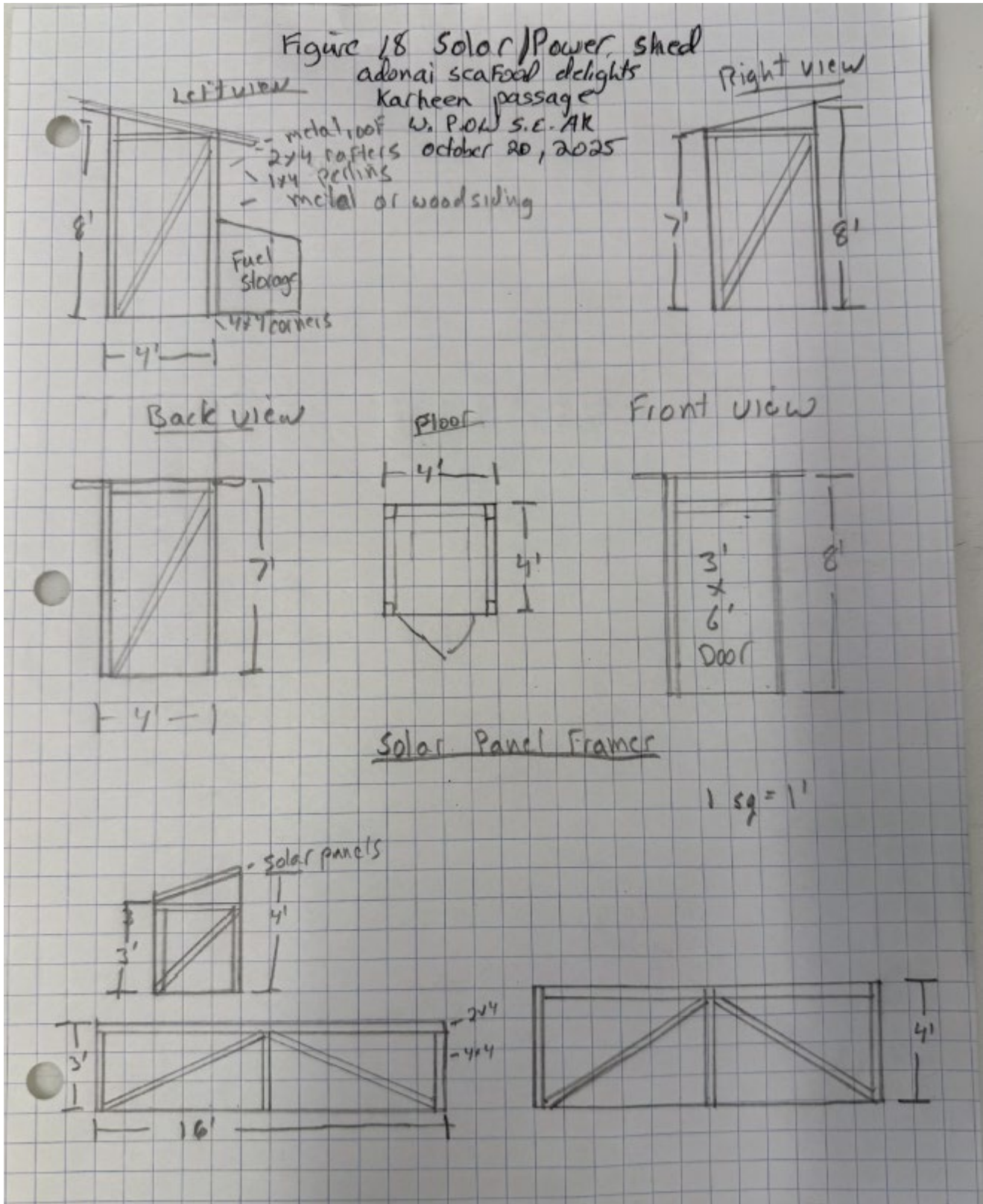
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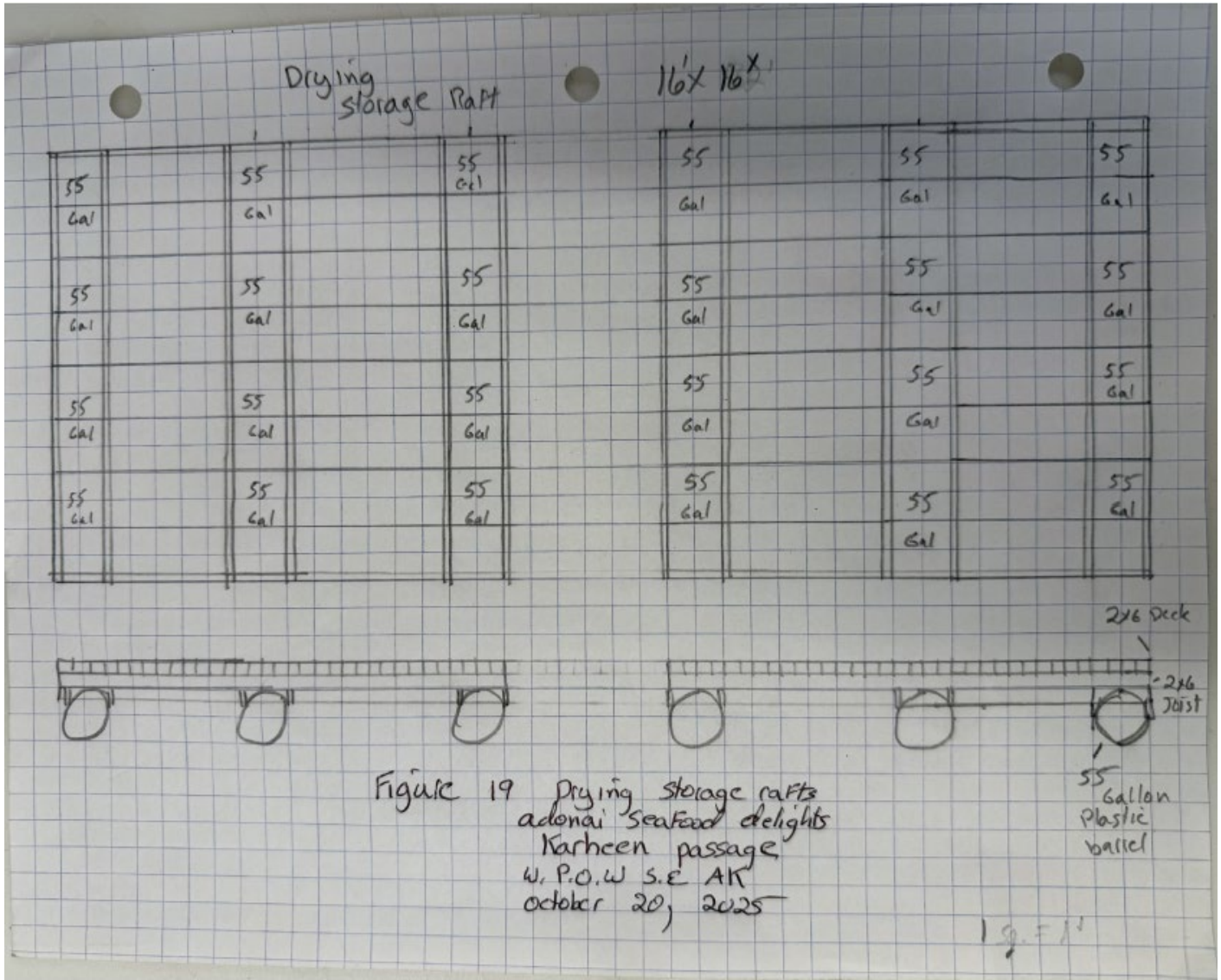
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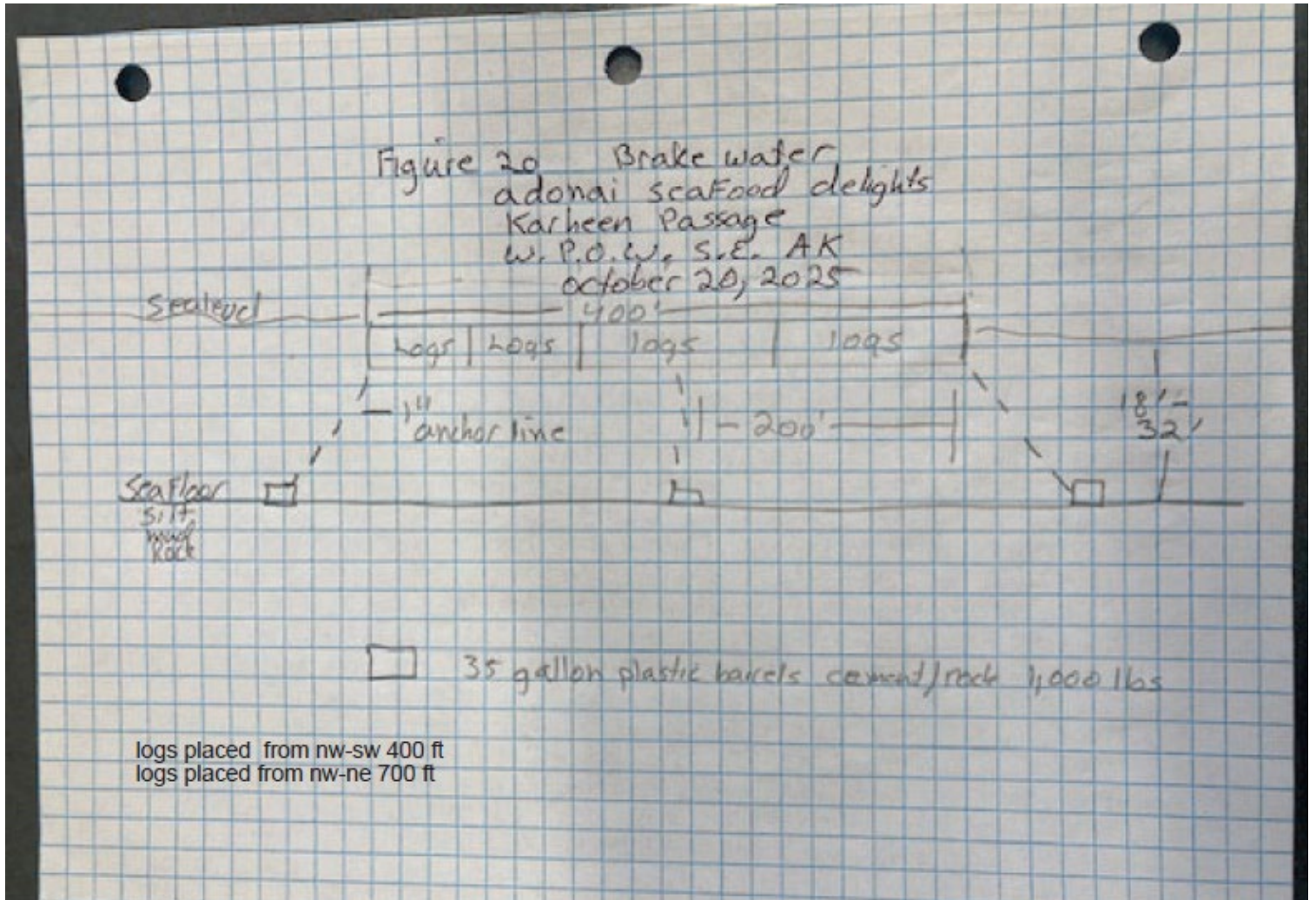
**Attachment A
Amendment Development Plan**



**Attachment A
Amendment Development Plan**



Attachment A
Amendment Development Plan



Attachment B
ADF&G Letter



THE STATE
of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Fish and Game

Division of Commercial Fisheries
Headquarters Office

1255 West 8th Street
P.O. Box 115526
Juneau, Alaska 99811-5526
Main: 907.465.4210
Fax: 907.465.4168
Permit Coordinator: 907.465.4724

February 27, 2026

Emily Gettis
Department of Natural Resources
Southcentral Regional Land Office
Aquatic Farm Leasing Program
550 West 7th Avenue, Suite 900C
Anchorage AK 99501

Re: Alaska Department of Fish and Game Agency Review Comments
Nicholls / Adonai Seafood Delight Aquatic Farm Amendment Proposal – Heceta Island
DNR File No. ADL 107847

Dear Ms. Gettis:

The Alaska Department of Fish and Game (ADF&G) has completed a preliminary review of the project proposal, **ADL 107847** relevant to criteria specified in authorizations for Aquatic Farming AS16.40.105 and 5 AAC 41 200-400. ADF&G Division of Commercial Fisheries (Management, Gene Conservation Lab and Fish Pathology Section), Division of Sport Fish, Division of Wildlife Conservation, Subsistence Section and Habitat Section, were part of the initial review. *There are no concerns pertaining to an aquatic farm operation permit amendment at the proposed location.* Any comments from other government agencies or from the public that may impact applicable department provisions will be considered as part of the final department review for an aquatic farm operation permit amendment which will be issued within 30 days of the lease amendment being issued. Recommendations from this preliminary review are summarized below.

Department Advisory

Please advise the applicant that if the project is approved, general conditions pertaining to Alaska Department of Fish and Game statutory and regulatory provisions for issuance of an Aquatic Farm Operation Permit (AFOP) amendment will be included in the operation permit. In addition, site-specific conditions that have been recommended by staff may be included in the AFOP amendment.

Division of Commercial Fisheries has reviewed this request and have no concerns.

Gene Conservation Lab has reviewed this request and have no concerns.
Fish Pathology Section has reviewed this request and have no concerns.

Attachment B ADF&G Letter

Emily Gettis
Department of Natural Resources
Aquatic Farm Amendment Proposal ADL 107847 ADF&G Review Comments

- 2 -

February 27, 2026

Division of Sport Fish has reviewed this request and have no concerns.

Invasive Species Program Coordinator has reviewed this request and has no concerns.

Division of Wildlife Conservation

Marine Mammal Research Program: This application complies with the guidelines set forth with the ADF&G marine mammal mariculture policy updated in April 2024. Any advisories or mitigation steps recommunicated by NOAA Fisheries National Marine Fisheries Service (NMFS) or the US Fish and Wildlife Service (FWS) to reduce marine mammal disturbances should be followed. Large whales, especially humpbacks, are highly susceptible to entanglement in lines in the water; Removing all gear from the water during the non-growing season may minimize gear loss, user conflicts, and marine mammal entanglement and habitat exclusion potential. Any marine mammal entanglements should be immediately reported to the NMFS 24 hr. Stranding Hotline, phone – (877) 925-7773 and the ADF&G Permit Coordinator (907-465-4724).

Access Defense Program: Has reviewed this request and have no concerns.

Seabird Program: Did not comment at this time.

Habitat Section did not comment at this time.

Subsistence Section has reviewed this request and have no concerns. There are no customary and traditional use findings for the proposed waters.

Our department requests that the Department of Natural Resources consider providing this in their Preliminary Decision as an advisory to the applicant and for public reference.

Thank you for the opportunity to provide comments on this aquatic farm proposal. If you have any questions, please contact me at (907) 465-4724.

Sincerely,



Michelle Morris
Permit Coordinator

ecc: Garold V. Pryor, Aquaculture Section Chief, ADF&G
Chris Nicholls, Adonai Seafood Delight

**Attachment C
Sample Amendment to Lease Agreement**

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
550 West 7th Avenue, Suite 900C
Anchorage, Alaska 99501-3577**

**Lessee Name DBA Business Name
AMENDMENT NO. X TO LEASE AGREEMENT
ADL #####**

A lease agreement for aquatic farming purposes was issued under file no. ADL ##### to Lessee's Name and/or Business Name, Address, on Lease Issued Date, with an expiration date of Lease Expiration Date. The legal description for this lease is:

Aliquot Part of Section ##, Township ## South, Range ## East, Copper River Meridian, Alaska

Those tide and submerged lands located on the XX side of XX approximately XX miles west of XX, Alaska and further described as:

Parcel 1: XXXX feet by XXXX feet (XXXX acres) Purpose

NE Corner Latitude:	XX° XX.XXX'N	Longitude:	XX° XX.XXX'W
SE Corner Latitude:	XX° XX.XXX'N	Longitude:	XX° XX.XXX'W
SW Corner Latitude:	XX° XX.XXX'N	Longitude:	XX° XX.XXX'W
NW Corner Latitude:	XX° XX.XXX'N	Longitude:	XX° XX.XXX'W

The total area encompassed by this aquatic farmsite is ## acres, more or less.

This amendment to the above-referenced lease agreement authorized under ADL ##### is for the following purpose:

- Increase the acreage of the aquatic farm site by XX acres, more or less, by adding Parcel X.

The lease agreement authorized under ADL ##### is amended as follows:

1) modifying Section X. Grant that describes the legal description to cease to read as originally written and reflect the amended legal description.

Section 1. Grant of the lease is modified as follows:

Aliquot Part of Section ##, Township ## South, Range ## East, Copper River Meridian, Alaska

Those tide and submerged lands located on the XX side of XX approximately XX miles west of XX, Alaska and further described as:

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Sample Amendment to Lease Agreement

Parcel 1: XXXX feet by XXXX feet (XXXX acres) Purpose

NE Corner Latitude:	XX° XX.XXX'N	Longitude:	XX° XX.XXX'W
SE Corner Latitude:	XX° XX.XXX'N	Longitude:	XX° XX.XXX'W
SW Corner Latitude:	XX° XX.XXX'N	Longitude:	XX° XX.XXX'W
NW Corner Latitude:	XX° XX.XXX'N	Longitude:	XX° XX.XXX'W

Total amended acreage = ### acres, more or less.

2) Modifying Section X. Compensation and Attachment A – Additional Stipulations of the lease is modified as follows:

The total acres in the lease are adjusted to XX acres. Equal annual payments, in advance, on or before the XX day of XX of every year during said term at the rate of

\$XX for the 1 st acre:	X acre x \$XX	= \$ XX.00
\$XX for each additional acre or portion thereof:	X acre x \$XX	= \$ XX.00
	Total:	\$ XX.00

ALL OTHER TERMS AND CONDITIONS OF THE SUBJECT LEASE REMAIN AS WRITTEN.

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Lessee:

Lessee Name

Lessor:

Joni Sweetman
Regional Manager, Southcentral Regional Land Office

State of Alaska)
) ss.
_____ Judicial District)

THIS IS TO CERTIFY that on this _____ day of _____, _____, before me personally appeared _____, who executed the foregoing Amendment 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 Amendment and acknowledged voluntarily signing the same.

Notary Public in and for the State of Alaska
My Commission Expires: _____