

**STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND AND WATER**

Northern Regional Land Office

**Preliminary Decision  
ADL 422670  
Colville Solid Waste, LLC.  
Application for Lease  
AS 38.05.810**

This Preliminary Decision (PD) is the State's preliminary best interest finding regarding a proposed disposal of interest in state land. The public is invited to comment on this PD. The deadline for commenting is **11:59 pm May 27, 2026**. Please see the Public Notice section of this decision for requirements related to submitting comments for consideration.

**Requested Action**

Colville Solid Waste, LLC. (applicant) submitted an application to the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW) to lease five acres of state land for the purpose of staging solid waste containers from the Alpine service area to the Service Area 10 Landfill in Prudhoe Bay. The site is located within the Umiat Meridian, Township 010 North, Range 007 East, Section 13. The applicant requested a 20-year public and charitable lease. A map showing the proposed location is included as Attachment A- Development Plan.

**Requested Improvements:**

- A 16' X 40' camp module, including an office and living quarters for Colville personnel.
- A 30' X 50' tent to store a loader (for snow removal on the pad), pad maintenance, and transfer of dumpsters between tow vehicles.
- Placement of 20 dumpsters that are 20' in length. Dumpsters will have lids that are secured and will remain closed until contents are placed in the Service 10 Landfill.

**Proposed Action**

DMLW proposes to issue a 20-year public and charitable lease for the purpose of staging solid waste containers from the Alpine service area to the Service Area 10 Landfill in Prudhoe Bay.

**Scope of Decision**

The scope of this decision is to determine if it is in the State's best interest to issue a lease for the requested activity. The administrative review for this authorization is defined by AS 38.05.035(e)(1)-(2) and limited to (1) reasonably foreseeable, significant effects of the uses to be

authorized; (2) applicable statutes and regulations; (3) the facts pertaining to the land or resources; and (4) any issues that are material to the determination.

### **Authority**

This lease application is being adjudicated pursuant to AS 38.05.035(e) Powers and Duties of the Director, AS 38.05.070 Generally, AS 38.05.075 Leasing Procedures, and AS 38.05.810 Public and Charitable Use.

The authority to execute the PD, Final Finding and Decision (FFD), Entry Authorization (EA), and the lease has been delegated to the Regional Managers of DMLW 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 2021 North Slope Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 422670.

### **Legal Description, Location, and Geographical Features**

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

- **Geographical location:** Along the Spine Road near drill site 2L.
- **Approximate Lat/Long:** 70°12'58.73"N, 150°14'56.49"W
- **Area geographical features:** Wet and shrub tundra, tussocks, and tidal marshes.
- **Legal description:** Section 13, Township 010 North, Range 007 East, Umiat Meridian, comprising of five acres more or less.
- **Recording district:**
- **Municipality/Borough:** North Slope Borough
- **Native Corporations/Federally Recognized Tribes:** Arctic Slope Regional Corporation
- **Size:** 5 acres, more or less

### **Title**

NRO requested a title report from DMLW's Realty Services Section on March 20, 2026, which has not been received at the time of this decision. Should the title report note any major changes, they will be addressed in the FFD.

### **Third Party Interests**

There is a subsurface lease, serialized as ADL 380051, issued to Conoco Phillips in the area. The applicant has already obtained non-objection from Conoco. If additional third party interests are identified during the public notice period, adjudicator must discuss mitigating measures or non-objection in the Final Finding.

### **Planning and Classification**

The project area is subject to the *North Slope Area Plan*, Management Unit A02: *Habitat and Oil and Gas* (map number 3-2.1). The unit for the proposed lease is intended for oil and gas and habitat purposes. The proposed use is consistent with the classification in the NSAP as Colville is providing support for oil and gas activities. Operations on the pad have been crafted to minimize wildlife interactions, which in turn helps preserve the area's habitat values per NSAP.

The proposed lease is also subject to the North Slope Special Use Area (ADL 50666).

### **Traditional Use Finding**

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

### **Access**

Practical and legal access to the proposed leasehold is via the Spine Road.

### **Access Along Navigable and Public Waters**

DNR's Public Access Assertion and Defense Section has determined there are no public or navigable waters within or adjacent to this parcel. The proposed lease does not require reservation of public access along navigable and public waters pursuant to AS 38.05.126(a).

### **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, DMLW is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

### **Reservation of Mineral Estate**

In accordance with section 6(i) of the Alaska Statehood Act and AS 38.05.125, the state, in this decision, reserves unto itself the mineral estate, including oil and gas, and the rights expressed in the reservation clause of the statute, that being the right to reasonable access to the surface for purposes of exploring for, developing and producing the reserved mineral resources. Exploration and development, if any, which could occur, would be consistent with AS 38.05.130 and other applicable statutes and regulations.

### **Mineral Orders**

Mineral entry within the proposed leasehold is not currently restricted. It is not necessary to restrict entry to leasehold locations only or to close the area to mineral entry.

### **Hazardous Materials and Potential Contaminants**

Hazardous materials, specifically solid waste and ultra-low sulfur diesel fuel will be stored in a double-walled tank with a maximum capacity of 10,000 gallons. Stipulations will be included in the lease to ensure proper handling and storage of hazardous substances materials.

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 leasehold and disposed of in accordance with state and federal law. Since solid waste storage is the primary purpose of the lease, the authorization will be subject to 18 AAC 60.010 (Alaska Solid Waste Regulations). Waste at the transfer site need to be stored in a manner that prevents access to wildlife.

### **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 February 2, 2026. The deadline for agency comments was March 2, 2026.

The following agencies were included in the review:

- DNR Division of Oil and Gas Permitting Section
- DNR Division of Oil and Gas State Pipeline Coordinator Section (SPCS)
- DNR Division of Parks and Outdoor Recreation / Office of History and Archaeology – State Historic Preservation Office (OHA)
- Department of Environmental Conservation (DEC)
- Department of Fish & Game (DFG)
- Department of Transportation & Public Facilities (DOT)
- U.S. Army Corps of Engineers (USACE)
- U.S. Fish and Wildlife Service (USFWS)
- North Slope Borough (NSB)

**Agency:** DFG had no objections to the proposed activity. They also provided recommendations to avoid conflicts with wildlife. Their comment was forwarded to the applicant.

DEC reiterated that the waste at the transfer site needs to be stored in a manner that prevents access to wildlife. Since the steel dumpsters are covered, we believe that the access of these dumpsters to wildlife is sufficient. If it's discovered that the covered dumpsters are accessed by wildlife, a different design may need to be considered. DEC's comment was forwarded to the applicant.

OHA had no objections to the proposed activity. Should inadvertent discoveries of cultural resources occur during the project, OHA should be notified. Their comment was forwarded to the applicant.

DOT had no comments about the proposed activity.

### **Discussion**

Colville is a licensed public utility and therefore qualifies for a public and charitable lease under AS 38.05.810(e). The applicant is requesting to develop a five-acre gravel pad for solid waste staging that is situated at the midpoint between the Alpine Service Area and Service 10 landfill in Prudhoe Bay. One fleet of vehicles will be used to bring waste containers from customers to the gravel pad, a second fleet will deliver the containers from the lease area to Service 10. Splitting the haul route into stages will allow Colville to transport waste from Alpine to Service 10 more efficiently.

Proposed developments on the five-acre gravel pad include:

- A 16' X 40' camp module, including an office and living quarters for Colville personnel.
- A 30' X 50' tent to store a loader (for snow removal on the pad), pad maintenance, and transfer of dumpsters between tow vehicles.
- Placement of 20 dumpsters that are 20' in length. Dumpsters will have lids that are secured and will remain closed until contents are placed in the Service 10 Landfill.

The camp module is intended to house personnel from November-May. Personnel will not be staying on the pad during the summer season; however, the pad will remain in operation during the summer.

Ultra-low sulfur diesel fuel will be stored onsite for the furnaces inside the camp module and the shop. Secondary containment for the fuel tank must meet the standard 110% capacity requirement, in this case that is 11,000 gallons. This requirement will be reinforced in the Lease Additional Stipulations document (Attachment D).

The proposed lease will be subject to the terms of DMLW's standard lease document effective at the time the lease is signed. The current standard lease document is available for review upon request. The lease will also be subject to additional stipulations based, in part, upon the following considerations.

### **Development Plan**

The Development Plan (DP) attached to this decision (Attachment A) and dated October 22, 2025, is under consideration by DMLW. Should the proposed lease be granted, it is anticipated that the DP will need to be updated throughout the life of the lease as activities and/or infrastructure are added or subtracted. All updates must be approved, in writing, by 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 38.05.035 and AS 38.05.860, the applicant will be required to submit performance guaranties for the lease to incentivize performance of the conditions of the EA (if applicable) and 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.

Performance guaranties provide a means to pay for corrective action if the lessee fails to comply with the lease requirements. In accordance with AS 38.05.035(a)(4), the applicant will be required to submit a performance guaranty. 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 **\$275,000** if the applicant furnishes environmental liability insurance to secure faithful performance with all terms and condition of the lease and to ensure site restoration of the leasehold. Alternatively, if the applicant does not wish to furnish environmental liability insurance, the bond will be set at **\$500,000**. The performance guarantee must remain in effect for the duration of the lease term or until released in writing by the 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 reasonable 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.

### **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, the applicant must complete an approved survey according to the requirements and standards of DMLW's Survey Section prior to lease issuance. If the submitted survey is accepted by DMLW, the measurements identified will be used to accurately calculate the total acreage. The survey must be performed by an Alaskan registered Land Surveyor under survey instructions issued by the DMLW Land Survey Section. The applicant is responsible for the cost of the survey. The applicant shall submit an initial draft of the survey at least one year prior to the expiration of the EA. Prior to issuance of the EA, the applicant shall contact the DNR survey section at (907) 269-8523 to obtain a request for survey instructions form.

### **Compensation and Appraisal**

In accordance with AS 38.05.840, State-owned land may only be leased if it has been appraised within two years before lease issuance. The applicant will be required to provide an appraisal of the proposed leasehold before the lease will be issued. Once the appraisal has been approved by DMLW, the annual lease fee will be set at the fair market value of the proposed leasehold. 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.

In consultation with DMLW Appraisals Unit and in accordance with AS 38.05.840(a), it was determined that an appraisal is required. The applicant must provide a fair market value appraisal of the proposed leasehold prepared by a licensed appraiser approved by the Appraisals Unit. The cost of the appraisal shall be borne by the Applicant.

While the applicant pursues an appraisal, the annual rent will be **\$55,387** as established in the North Slope Fee Schedule No. 3455-06 until the appraisal is complete. Additionally, the applicant will be responsible for the payment of any difference from payments made during the Entry Authorization. In accordance with AS 38.05.105, this lease may be subject to periodic rent adjustments every five years according to an adjusted fair market value.

### **Entry Authorization (EA)**

DMLW proposes to authorize the applicant entry onto state land through the issuance of an EA while they are completing the required development, survey and/or appraisal. The term of the EA will be for a term of five years. The proposed EA would be issued after the FFD goes into effect. The term of the Entry Authorization is included in the term of the lease.

The estimated annual fee for the proposed EA is **\$55,387.00**. Should the appraisal indicate that the EA annual fee is less than estimated, those overages will be credited to the applicant's account. Should the report indicate that the value of the land is greater than anticipated, the shortfall must be remedied before the lease will be issued.

### **Subleases**

Subleasing is permissible through AS 38.05.095, if the proposed lease 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.

Subleases to other AS 38.05.810(e) qualifying utilities are allowed (with prior DMLW approval) with or without compensation to the lessee. A sublease would be required if there is development outside of the developed footprint authorized in the lease. If the lessee receives compensation, 11 AAC 05.230(d)(6) requires that the state receive no less than 25% of that sublease compensation. The compensation method may be based on AS 38.05.073(m).

### **Assignment**

The proposed lease, 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, the leasehold must be restored to a “good and marketable condition” within 120 days after termination of the lease.

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. What level of reclamation constitutes as being “good and marketable” is at the discretion of DMLW. DMLW reserves the right to require a reclamation bond due to non-compliance issues during the term of the lease or near the end of the life of the project.

Since the proposed development includes the establishment of 5-acre gravel pad, the applicant shall leave all gravel in place upon lease termination to prevent thermal degradation to the tundra in this area.

### **Public Notice**

Pursuant to AS 38.05.945, this PD will be noticed for a 30-day public comment period, starting on April 27, 2026. 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 all third party interests, the North Slope Borough, and Arctic Slope Regional Corporation.

In accordance with AS 38.05.946, the North Slope Borough is a municipality or a corporation under AS 38.05.946(c) and may hold a hearing within 30 days after the receipt of the notice,

The public is invited to comment on this PD. All comments received during the public comment period will be considered in the 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 27, 2026, to be considered.**

To submit comments please choose one of the following methods:

Mail: Department of Natural Resources  
Division of Mining, Land and Water  
Northern Regional Land Office  
ATTN: *Haley Evans*  
3700 Airport Way  
Fairbanks, AK 99709

Email: haley.evans@alaska.gov

Fax: (907) 451-2806

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 TTY services.

*Signature page follows.*

**Recommendation**

DMLW has completed a review of the information provided by the applicant, examined the relevant land management documents, agency comments, and land ownership, and has found that this project is consistent with all applicable statutes and regulations. DMLW considered both direct and indirect benefits to the State. The establishment of a solid waste staging area to temporarily store waste while in transit to Service 10 is a beneficial use of state land to prevent the disposal of waste in unauthorized areas or the adjacent tundra. Additionally, the use of a temporary solid waste staging mitigates the risk of overflowing the Service 10 Landfill. As a result, DNR finds granting of the proposed lease provide 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 an opportunity to review and submit comments.

  
Haley Evans, Natural Resource Specialist 3

4/27/2026  
Date

**Preliminary Decision**

It is the determination of the Division of Mining, Land and Water that it may be in the State's best interest to issue a public and charitable lease for 20 years to the applicant, as described above. This Preliminary Decision shall now proceed to public notice.

  
AJ Wait, Natural Resource Manager 2  
Northern Regional Land Office, Division of Mining, Land and Water

4/27/2026  
Date

**Attachments**

- Attachment A – Development Plan
- Attachment B – Sample Entry Authorization
- Attachment C – Sample Lease
- Attachment D – Sample Additional Stipulation

