



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

Northern Regional Land Office

Preliminary Decision

ADL 422731

Teck Alaska Incorporated

Negotiated Lease

AS 38.05.070(b)

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 July 27, 2026**. Please see the Public Notice section of this decision for requirements related to submitting comments for consideration.

Requested Action

Teck Alaska Incorporated (applicant) submitted an application to the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW) to lease approximately 9 acres east of the Delong Mountain Transportation System road for water storage and a communications facility. The site is an abandoned material site (MS-7) originally used for construction of the road. The applicant requested a 10 year negotiated lease. A map showing the proposed location is included as Attachment A.

Requested Improvements:

The applicant intends to install a communications tower, shelter, propane tanks, and a solar array. Additionally, they are seeking to actively manage the abandoned material site pit as a water source.

Proposed Action

DMLW proposes to issue a lease as requested.

Background

Teck Pogo Incorporated operates the Red Dog Mine. The Delong Mountain Transportation System (DMTS) is the road connecting the port facilities to the mine. While the DMTS is owned by the Alaska Industrial Development and Export Development Agency (AIDEA), Teck manages the day to day operations of the road. This lease is intended to improve reliability of communications along the DMTS, as well as to continue to provide a reliable water source for dust control on the DMTS.

LAS 33586 was issued in this location in 2021, to allow Teck to actively manage the site for water impoundment and withdrawals. If issued, the proposed lease would incorporate these activities and area into the approved development plan and this permit would no longer be needed.

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.

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 2008 Northwest Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 422731.

Legal Description, Location, and Geographical Features

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

- **Geographical location:** East of the DMTS, approximately 6.5 miles due west of Kikmiksot Mountain
- **Approximate Lat/Long:** 67.7979 N, 163.4100 W
- **Area geographical features:** This site is primarily composed of an abandoned material site/quarry. Predominant vegetation in and around the site is tundra and small bushes.
- **Legal description:** Within the northwest $\frac{1}{4}$ of Section 28, Township 28 North Range 21 West, Kateel River Meridain.
- **Recording district:** Kotzebue Recording District
- **Existing parcel survey, if applicable:** Unsurveyed
- **Municipality/Borough:** Northwest Arctic Borough
- **Native Corporations/Federally Recognized Tribes:** NANA Regional Corporation, Native Village of Noatak, Maniilaq Village Corporation
- **Size:** 9 acres, more or less

Title

The State of Alaska holds equitable title to the subject land under Tentative Approval dated November 19, 1980. The casefile number assigned to this selection file is GS 4034. Upon conveyance, the State will be subject to a reservation for canals and ditches under the Act of August 30, 1980 (26 Stat. 391) and a reservation to the United States of a right-of-way for the construction of railroads, telegraph, and telephone lines under the Act of March 12, 1914 (38 Stat. 305).

Title is subject to valid existing rights, including reservations, easements, and exceptions in the U.S. Patent or other State or federal conveyance, and in acts authorizing the issue thereof, easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.

Third Party Interests

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

Planning and Classification

The proposed site is within Unit K-04 of the 2008 Northwest Area Plan. This unit is designated Habitat (Ha) and classified Wildlife Habitat. This unit is used by the Western Arctic Caribou Herd (WACH) as summer range, and any long-term authorization is to consider impacts to the WACH. ADF&G was consulted during Agency Review and had no concerns. This proposed lease is determined to be consistent with the NWAP and classification.

Traditional Use Finding

The proposed site is located within the Northwest Arctic Borough. Pursuant to AS 38.05.830 a traditional use finding is not required. Additional traditional uses may be identified during the public notice period. If further traditional uses become known, they will be discussed in the final finding and decision.

Access

Practical and legal access to the proposed leasehold is via the DMTS, ADL 409515, which includes a spur road to the proposed lease.

Access Along Navigable and Public Waters

The Public Access Assertion and Defense (PAAD) Section has determined there are no public or navigable waterbodies within or adjacent to this proposed lease.

Public Trust Doctrine

Pursuant to AS 38.05.126, all authorizations for this site will be subject to the principles of the Public Trust Doctrine; specifically, the right of the public to use navigable waterways and the land beneath them for: navigation, commerce, fishing, hunting, protection of areas for ecological studies, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this project. As such, 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 batteries and propane, will be stored within the proposed leasehold.

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.

Agency Review

Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this preliminary decision. An agency review was conducted on March 20, 2026. The deadline for agency comments was April 20, 2026.

The following agencies were included in the review:

- Department of Fish & Game (ADF&G)
- Department of Transportation & Public Facilities
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service

ADF&G: ADF&G had no concerns and noted no Fish Habitat would be required.

No other comments were received.

Discussion

There are no currently identified conflicts associated with the requested use. The project is intended to increase reliability of communications, as well as provide for another reliable water source for road dust control efforts. This will assist Teck Alaska Incorporated in maintaining safe and responsible operations. Given the anticipated benefits and the lack of identified conflicts or negative impacts, the office proposed issuing the lease as requested.

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 August 24, 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 Guaranty 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 \$10,000 to secure faithful performance with all terms and condition of the lease and to ensure site restoration of the leasehold. The Bonding Matrix suggested a bond of \$32,700; given the applicants history of compliance and on-site ownership of equipment necessary to remove the facilities and rehabilitate the site, this amount has been reduced to \$10,000. 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, this lease does not require a survey. However, the State of Alaska reserves the right to require one in the future, should the need arise due to changes in statutes or increased use of the area. The applicant will be required to submit GPS coordinate points or a written legal description from a licensed surveyor for the leased area prior to lease issuance.

Compensation and Appraisal

Pursuant to AS 38.05.840 (b), a Minimum Rent Determination has been submitted. In the event an appraisal is required 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 authorization will be subject to reappraisal at five-year intervals after the issuance of the proposed authorization.

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.

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.

Public Notice

Pursuant to AS 38.05.945, this PD will be noticed for a public comment period, starting on June 24, 2026. The Noatak and Kotzebue post offices 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 all third party interests and the Northwest Arctic Borough.

In accordance with AS 38.05.946, the Northwest Arctic Borough is a municipality or a corporation entitled to receive notice under AS 38.05.945(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 July 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: *AJ Wait*
3700 Airport Way
Fairbank, AK 99709

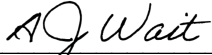
Email: aj.wait@alaska.gov

Fax: (907) 451-2751

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.

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 negotiated lease for up to 10 years to the applicant, as described above. This Preliminary Decision shall now proceed to public notice.



Alexander Wait, NRM 2

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

6/24/2026

Date

Attachments

- Attachment A – Map
- Attachment B – Development Plan
- Attachment C – Sample Lease
- Attachment D – Sample Additional Stipulations