

Appendix B: Comments

Agency Comments:

1. Mr. Brian Blossom with the Department of Fish and Game, Division of Habitat commented on February 4, 2016:
Mr. Blossom stated:

- ADFG supports Global Geophysical's proposed 100 foot setback for shot holes from anadromous streams. ADF&G, Division of Habitat, will require adequate setbacks for all fish bearing streams in the seismic surveying areas. The Division of Habitat can be contacted at (907) 714-2475 for any clarification needed on whether a stream is classified as a resident or fish-bearing stream.
- Motorized vehicles such as ATVs or snowmachines will need to acquire a Special Area Permit from ADF&G, Division of Habitat, before traveling within the Anchor River/Fritz Creek Critical Habitat Area (ARFCCHA). Restrictions may be placed on motorized vehicles within the ARFCCHA depending on the amount of snow cover present during project operations.
- Vegetation clearing should be kept to a minimum and natural openings used as much as possible when drilling shot holes.
- Seismic shot holes should be located at a great enough distance from existing trails that public use of the trails is not blocked and that damage does not occur to public use trails from the seismic activities.
- Signs should be used at trailheads and public parking areas that may be used to access the permitted seismic areas to advise the public about safety and the permitted activities.

Applicant's Response:

Global & Hilcorp concur with the requirements/potential stipulations that ADF&G has outlined in their comment letter.

Division's Response:

Comment noted and forwarded to the applicant for a response. See Standard Stipulation #4, Cook Inlet Stipulation #4 and Project Specific Stipulation #1.

2. Ms. Shina DuVall with the Alaska State Historic Preservation Office (AK SHPO), forwarded correspondence to the Division of Oil and Gas on February 11, 2016 with the following buffer distances for historical properties:

Ms. DuVall stated: Following our review of the documentation provided, we concur that a finding of no historic properties affected is appropriate for the proposed undertaking, assuming the avoidance measures are implemented as prescribed within the cultural resource inventory report. This includes a 500-foot buffer around AHRS sites for shothole locations and vehicle access and a 50-foot

buffer around AHRS sites for receiver placement and pedestrian access. Should unidentified archaeological resources be discovered in the course of the project, work must be interrupted until the resources have been evaluated in terms of the National Register of Historic Places eligibility criteria (36 CFR 60.4) or Alaska Landmarks Register in consultation with our office”.

Division’s Response: See Project Specific Stipulation #2 and Standard Stipulation #9.

Public Comments:

The Division received timely comments during the public notice period from the Kachemak Bay Conservation Society (KBCS), Cook Inletkeeper (CIK), Kevin Hughes and Laura Baldwin. The Division has considered these comments and provides the following responses relevant to this seismic project authorization under the State of Alaska’s miscellaneous land use regulations (11 AAC 96).

A. Application Content and Process

Comment 1 (CIK): Miscellaneous Land Use Permits (MLUP) are required to “minimize adverse effects” on state lands and submerged lands pursuant to 11 AAC 96.005.

According to DNR’s MLUP Guidance Document, “[t]he application must contain the following information in sufficient detail to allow evaluation of the planned activities’ effect on the land,” including- Anadromous Fish Streams and Other Streams: Provide a description [sic] of all stream crossings for your project and identify on maps if known. List any permits applied for or issued by the Alaska Department of Fish and Game”.

Comment 2 (CIK): Without such basic information about salmon habitat within the proposed project area, DNR cannot understand adverse effects on state lands, nor can other reviewers or the general public. As a result, the applicant must submit a modified MLUP pursuant to DNR guidance to provide the information necessary for an adequate review.

Applicant’s Response for Comment 1 and 2: Global’s Geophysical Exploration Permit application was provided to ADNR, DOG on the agency-required format. The application underwent a sufficiency review and agency review and was determined to include all necessary information.

Global has consulted with and/or submitted permit applications with multiple state agencies (e.g., ADF&G, ADNR, KPB) and will adhere to all permit stipulations.

Division’s Response for Comment 1 and 2: See below for response to comment 1, 2, 3 and 4.

Comment 3 (CIK): Based on the MLUP application materials, conversations with state and federal agency personnel, and the applicant’s comments at a public meeting in Anchor Point on February 24, 2016, however, it’s clear the applicant does not have a realistic grasp of the complex and sensitive habitats in which it seeks to operate. As a

result, DNR and other state and federal should require more detailed information from the applicant – and should use readily-available GIS technology and field inspections to enhance oversight - to ensure the applicant operates in a manner that protects Alaska’s vital fish habitat.

Comment 4 (CIK): Commenter stated applicant should provide DNR with GIS maps showing proposed activities and various layers of data. These GIS maps would be useful in making decisions on State of Alaska land.

Applicant’s Response for Comment 3 and 4: Global’s Geophysical Exploration Permit application was provided to ADNR, DOG on the agency-required format. The application underwent a sufficiency review and agency review and was determined to include all necessary information.

Global has consulted with and/or submitted permit applications with multiple state agencies (e.g., ADF&G, ADNR, KPB) and will adhere to all permit stipulations. Agency personnel are welcome to perform field visits as part of this project. ADNR personnel have already participated in a fly-over of the project area to assess potential issues.

Division’s Response for Comment 1, 2, 3 and 4: Thank you for the GIS related comments and suggestions. The application and review process meets the MLUP requirements under 11 AAC 96.010 and 11 AAC 96.030 and allows for the evaluation of the planned activities’ effects in the program areas. The MLUP permit conditions also require that the applicant keep site disturbance to a minimum and any ground disturbance shall be restored to its original condition. See MLUP Standard Stipulations #4, #12 and #11, Public Safety and Program Outreach Stipulation #3, Cook Inlet Stipulations #3 and #4 and Project Specific Stipulation #1.

The ADFG permit(s) were issued for the proposed project activities in the vicinity of anadromous streams (FH 16-V-0161) and resident fish streams (FH 16-V-0162), and for activities in the Anchor River Fritz Creek Critical Habitat area from ADFG (Special Area Permit 16-V-00164-SA). These authorizations include stipulations that provide protection for anadromous streams. ADFG has established setbacks from anadromous water bodies. All seismic permits utilizing explosives must adhere to these setbacks.

B. Public Notice

Comment 5 (CIK): The public notice published on the Division of Oil & Gas’s website failed to provide basic details on the proposed activity, including but not limited to the extent, duration and location of the proposed seismic activity. Without such information, members of the public cannot know if their interests may be affected by the proposed activity. Additionally, the public notice did not specify how to submit comments, or to whom. As a result, the public notice fails to provide sufficient detail to allow the general public to comment meaningfully, and DNR should revise its public notice practices to address these shortcomings.

Division's Response: The Division posted a courtesy public notice in the Alaska Dispatch News, Peninsula Clarion and Homer Tribune newspapers. Additionally, the notice was posted on the State of Alaska Online Public Notice and Division of Oil and Gas websites providing the public an opportunity to comment. The Division reviewed the posted notice and confirmed that it included a brief project description, the location of activities, a web link to the application, an e-mail address for submitting comments and the comment deadline. The Division additionally posted an Alaska Dispatch comment period clarification on the Division's web site.

C. Confidentially

Comment 6 (CIK): Treating shot line locations as "confidential" is bad public policy, because members of the public – who are the collective owners of state lands and waters under Article VIII of the Alaska Constitution – cannot understand potential impacts to fish or water resources without specific information. For example, without specific information, it would be impossible for the public to understand the close proximity between numerous drinking water wells, salmon streams and wetlands to the proposed seismic activity. In this case, however, the applicant waived its confidentiality privilege when it displayed a poster containing the shot lines at the Anchor Point public meeting, and admitted it provided shot line locations to private property owners to the extent the lines cross private property.

Applicant's Response: Global has not waived its rights to confidentiality by entering into agreements with private landowners for activities on their land. Global has also not waived its rights to confidentiality by providing a poster showing approximate line locations at a public meeting.

Confidentiality of shothole locations is an important public safety issue. The shothole data acquisition technique requires the use of small amounts of explosives at each shothole. Unqualified personnel may use public information to identify and enter areas that could put them at risk.

Additionally, maintaining the confidentiality of seismic activity is important for commercial competitiveness of oil and gas operations and future development. The State of Alaska has determined through Best Interest Findings and subsequent leasing programs that development of leased subsurface resources is beneficial for Alaska.

Division's Response: Figure number 3 in the application package was marked confidential and is held confidential by the Division under AS 38.05.035(a)(8).

D. Insurance

Comment 7 (KBCS): What compliance oversight will ADF&G perform relative to training and safety measures? Global claims to carry liability insurance to cover a potential "incident". (Section VIII). ADF&G should review this insurance to determine exactly what sort of incident is covered, eg. Team member injury, spill cleanup, and whether the insured amount is adequate to cover the proposed activities and potential

resulting "incidents." Regardless of the existence of insurance coverage, we oppose any activity with the potential to negatively impact the Kachemak Bay Area.

Applicant's Response: Global has provided ADNR, DOG with a certificate naming the State of Alaska, ADNR as Additionally Insured on Global's General Liability Policy with respect to liability arising out of Global operations as required under Alaska Statute 21 and 11 Alaska Administrative Code 96.065.

Division's Response: The Division has received the requested certificate of insurance as noted in the Applicant's response. The Applicant has also provided the required bond to cover seismic activities on state land.

E. Residential Areas

Comment 8 (KBCS): In the Anchor Point proposed testing areas, Global lists private landowners as a concern. This means that residents in this area may be subjected to unwanted noise levels from the testing and traffic as well as impacts on air quality due to dust levels and other emissions. Seismic and drilling activities should not be permitted in areas where residential life will be negatively impacted.

Applicant's Response: Global's proposed seismic survey is limited in duration and scope. Drilling and data acquisition activities in the more densely populated residential areas of Anchor Point are estimated to last less than a week, and total project duration in the area is expected to last less than a month. Impacts from noise, traffic, and dust are expected to be minimal and temporary.

Global is in the process of obtaining permits from all private landowners whose property Global is requesting authorization to access.

Division's Response for Comment 8: See below for response to comment 8 and 9.

Comment 9 (CIK): The proposed shot lines will run close (if not over) numerous residential water wells. As a result, the applicant and/or DNR should ensure all private property owners with wells in the vicinity of the shot lines are informed, and measures are taken to avoid harm to well integrity, water supply and water quality.

Applicant's Response: Global is in the process of obtaining permits from all private landowners whose property Global is requesting authorization to access. As part of negotiating authorization to access private lands, property owners identify existing infrastructure such as water wells and foundations. Surveyors are responsible for identifying potential well locations on properties that are not being crossed. Buffers around infrastructure have been established to avoid impact as a result of the seismic survey and are in accordance with International Association of Geophysical Contractors (IAGC) guidelines.

Division's Response for Comments 8 and 9: The Miscellaneous Land Use Permit authorizes seismic activity on state land. The permit does not authorize operations on private lands or lands not owned by the State of Alaska.

The applicant is responsible for requesting permission from the land owner for use of non-state owned lands. Additionally, The seismic industry has established set back distances for residential wells and dwellings in order to protect private property.

F. Oil Spill Prevention and Response, Spill Contingency Plan

Comment 10 (KBCS): Any spill of fuel or other waste or chemical would greatly increase the impact to the local area due to spill response and mediation activities.

Comment 11 (KBCS): In Section IV.3.C. of the application, Global states that all team members will actively work to prevent spills of toxic waste and fuel. Specifically what training do the team members have regarding spill response and specifically what practices will be ongoing to prevent spills of any kind?

Applicant's Response for Comment 10 and 11: All employees and subcontractors will participate in the following start up training:

Hazards Communication (HAZCOM)

HAZWOPER Awareness

Personal Protective Equipment.

Basic First Aid & Bloodborne Pathogens

Drug & Alcohol Awareness and Policies

Slips, Trips, Fall/Working at Heights

Lifting, Handling, Back Care

Fire & Electrical Safety

LockOut/TagOut

Site Specific Orientation/Training

SPCC Training

Oil-handling personnel are trained in the operation and maintenance of equipment to prevent discharges; discharge procedure protocols; applicable pollution control laws, rules, and regulations; general facility operations; and, the contents of the facility SPCC Plan.

Spill prevention will include use of appropriate secondary containment and/or diversionary structures or equipment for oil handling containers, equipment, and transfer areas to prevent a discharge to navigable waters or adjoining shorelines. The entire secondary containment system, including walls and floor, is capable of containing oil and is constructed so that any discharge from a primary containment system, such as a tank or pipe, will not escape the containment system before cleanup occurs.

Division's Response for Comment 10 and 11: The applicant will be required to conduct operations to minimize impact to the environment through adherence to seismic industry standards, the company's Spill, Prevention, Control/Countermeasure (SPCC) plan and

stipulations carried in this seismic permit and other required state and federal agency authorizations. See MLUP Fuel and Hazardous Substances Stipulations #1, #2, #3, #4 and #6.

G. Federal Authorizations:

Comment 12 (CIK): Seismic exploration activities for oil and gas are regulated under the Clean Water Act's Nationwide Permit No. 6, and as a result, they must comply with Nationwide General Permit Conditions.

Applicant's Response: Global has confirmed with USACE [United States Army Corps of Engineers] that their activities are authorized under Nationwide Permit #6. Global will adhere to all permit conditions including Nationwide General Permit Conditions and Alaska District Regional Conditions.

Division's Response: It is not within the scope of this seismic permit review to evaluate regulations under the Clean Water Act.

H. ADFG Authorizations

Comment 13 (KBCS): In Section IV.3.G. of the application, Global states that it will consult with the ADF&G regarding activities in and around fish-bearing streams. Why would ADF&G allow any seismic or drilling activities around fish-bearing streams?

Comment 14 (KBCS): Seismic testing is followed by drilling and development that increases the potential for damage to anadromous stream areas. ADF&G should dismiss any application for testing or drilling in the area of anadromous streams period. Putting Alaska salmon at risk for the purpose of company profit is unconscionable and should be outright illegal.

Applicant's Response for Comment 13 and 14: Global has proposed maintaining a buffer of 100 ft from anadromous streams for shothole locations. Global has applied for and obtained permits from ADF&G for activities in the vicinity of anadromous streams (FH 16-V-0161) and resident fish streams (FH 16-V-0162). Global will adhere to the permit stipulations outlined in these permits.

Division's Response for Comment 13 and 14: See below for response to comment 13, 14, 15 and 16.

Comment 15 (CIK): Two miles of shot line will traverse the Anchor River/Fritz Creek Critical Habitat Area (CHA). In fact, according to the coordinates provided by the applicant, roughly a mile of shot line will run through or within 100' of a tributary to the Anchor River. Yet based on information and belief, the applicant has not applied to ADFG for a Special Areas Permit pursuant to 5 AAC 95.420. If and when such an application ensues, ADFG should take every step to require the applicant to show it knows the precise location of wetlands and salmon streams before commencing activities, and it should conduct field inspections to ensure compliance.

Applicant's Response: Global has applied for and obtained a permit for activities in the Anchor River Fritz Creek Critical Habitat area from ADF&G (Special Area Permit 16-V-00164-SA) in accordance with 5 AAC 95.420. Global will adhere to the stipulations outlined in this permit.

Division's Response: See below for response to comment 13, 14, 15 and 16.

Comment 16 (Laura Baldwin): Please do not approve any permits, including the ones from Hilcorp (through its agent Global Geophysical Services) to shoot 2-dimensional seismic shots across 50 linear miles on the Lower Kenai Peninsula. What you are proposing includes five separate areas encompassing the salmon-bearing waters of the Anchor River and Deep and Stariski Creeks. Salmon and a strong diversified Alaskan economy comes first. Keep it in the ground.

Applicant's Response: Global has proposed maintaining a buffer of 100 ft from anadromous streams for shothole locations. In addition, Global has applied for and obtained permits from ADF&G for activities in the vicinity of anadromous streams (FH 16-V-0161) and resident fish streams (FH 16-V-0162). Global will adhere to the stipulations outlined in these permits.

Division's Response for Comments 13, 14, 15 and 16: The ADFG permits issued for the proposed project includes stipulations that provide protection for anadromous streams. ADFG has established setbacks from anadromous water bodies.

Comment 17 (KBCS): To complete the proposed seismic testing, Global will intrude upon several sensitive areas including critical salmon streams. Global describes the use of ATVs to access the testing areas; ATVs tear up the landscape which will not recover for years, if ever.

Comment 18 (KBCS): Seismic activities should be severely restricted and not permitted near anadromous waterways.

Applicant's Response for Comment 17 and 18: Helicopter, snowmachine, and pedestrian access will be the primary access methods in most areas. Global has identified low pressure ATVs that are not expected to damage vegetation or disturb soil layer. Stream crossings using snowmachines or ATVs will only be performed where the streams are frozen and where crossings are in accordance with permit stipulations. Global has proposed maintaining a buffer of 100 ft from anadromous streams for shothole locations. Global has applied for and obtained permits from ADF&G for activities in the vicinity of anadromous streams (FH 16-V-0161) and resident fish streams (FH 16-V-0162), and for activities in the Anchor River Fritz Creek Critical Habitat area from ADF&G (Special Area Permit 16-V-00164-SA). Global will adhere to the stipulations outlined in these permits.

Division's Response for Comment 17 and 18: Specific Stipulations have been incorporated into Global's geophysical survey acquisition permit and Global has

committed to a minimum setback of 100 feet for anadromous streams. The applicant is subject to stipulations in the Division's permit as well as conditions from ADFG for stream crossings and set bank distances for charges around anadromous streams. See MLUP Standard Stipulations #4 and #11, Cook Inlet Stipulations #3 and #4 and Project Specific Stipulation #1.

I. Future Use

Comment 19 (KBCS): The proposed seismic testing and subsequent drilling do not make sense from the standpoint of climate change mitigation. Alaska is now experiencing major economic problems due to a severe decline in oil prices. It is not in the public interest to pursue expansion of the fossil fuel industry. Now is the time for investment in alternative energies to both diversify the Alaska economy and to address climate change concerns. Denial of this application and others like it will send a message to companies like Hillcorp that they should direct investment to alternative energy production.

Comment 20 (Kevin Hughes): Please stop perpetuating our addiction to fossil fuels. It's time to change for the better. Don't open new areas to exploration.

Applicant's Response for 19 and 20: The State of Alaska has determined that it is in the best interest of Alaskans that oil and gas resources on state lands be responsibly developed. A majority of the State's income is based on oil and gas development. Global has been contracted by Hilcorp to evaluate resources in which Hilcorp has an ongoing interest: Hilcorp has significant facilities and State of Alaska leases in the Kenai area. Hilcorp is also working with CIRI and NNAI to evaluate resources on CIRI subsurface lands.

The proposed activity is temporary in nature and will help identify subsurface geologic formations.

Division's Response for 19 and 20: See below for response to comment 19, 20, 21 and 22.

Comment 21 (KBCS): We oppose the development that will follow should the seismic testing prove successful. Transportation of people, equipment, waste and drilling products present significant problems. Residents of Homer and the surrounding communities do not need or want major traffic on East End road and through town. We do not want the expense of road maintenance or the noise and air pollution associated with increased traffic from drilling and transport activities.

Comment 22 (KBCS): If testing is successful, the plan will be to build roads and infrastructure such that the environment will be forever altered. The seismic testing and intrusion proposed for areas surrounding Stariski, Moose and Deep Creeks and the Anchor River, present potential harm to Alaska's salmon stocks and should be denied.

Applicant's Response for Comment 21 and 22: The proposed seismic survey will provide preliminary information about subsurface resources. Future development is

dependent upon multiple factors; whether or not development will occur is speculative at this time. Global's proposed seismic survey is limited in duration and scope. Impacts are expected to be minimal and temporary.

As part of the proposed seismic survey, Global has proposed maintaining a buffer of 100 ft from anadromous fish streams for shothole locations. Global has applied for and obtained permits from ADF&G for activities in the vicinity of anadromous streams (FH 16-V-0161) and resident fish streams (FH 16-V-0162). Global will adhere to the stipulations outlined in these permits.

Division's Response for Comment 19, 20, 21 and 22: The applicant submitted a Miscellaneous Land Use Permit (MLUP) application under 11 AAC 96 to conduct seismic operations on State of Alaska land. The proposed activity is temporary in nature and will help identify subsurface geologic formations. It is not within the scope of this seismic permit to review and evaluate climate change, alternative energy sources or future development.

J. Outside of Project Area

Comment 23 (KBCS): We oppose the transportation of oil through Kachemak Bay which is one of the most unique marine ecosystems on earth. This pristine area must be protected from the potential of even one oil spill!

Applicant's Response: The proposed seismic survey does not include transportation of oil through Kachemak Bay.

Division's Response: The proposed South Kenai 2D Seismic program area(s) are onshore and do not include the use of marine waters or oil transportation through Kachemak Bay. The Division has included the following stipulations to reduce the risks of spills in the program area. See Fuel and Hazardous Substances Stipulations #1, #2, #3 and #4, Cook Inlet Stipulation #2 and Project Specific Stipulation #1.