

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
STATE PIPELINE COORDIANTOR'S SECTION**

**MINERAL ORDER (MO) NO. 1204
Closing Lands to Mineral Entry**

 X Closing Lands to Mineral Entry Opening Lands to Mineral Entry

- I. Name:** Cook Inlet AS 38.35 Pipelines
- II. Reason for Mineral Order:** This MO is based on the attached Commissioner's Administrative Finding.
- III. Authority:** AS 38.05.185 - 38.05.275 compliant with AS 38.05.300
- IV. Location and Legal Description:** This order affects the lands within the AS 38.35 ROW leases ADL 232962 and ADL 232963, in addition to 100 feet on either side of the corridor. During pipeline construction, this affects approximately 1,230 acres which will be reduced to approximately 964 acres upon the acceptance of the operational ROW survey, within portions of the following sections:

CIGGS

Township 11N, Range 12W, SM, Section 25;
Township 11N, Range 11W, SM, Section 30, 31, and 32;
Township 10N, Range 11W, SM, Section 5, 8, 16, 17, 21, 28, and 33;
Township 09N, Range 11W, SM, Section 4, 9, 16, 17, 20, 29, 31, and 32;
Township 08N, Range 11W, SM, Section 6;
Township 08N, Range 12W, SM, Section 1, 12, 13, 24, 25, 26, and 35.

Tyonek

Township 11N, Range 09W, SM, Section 6;
Township 11N, Range 10W, SM, Section 1;
Township 12N, Range 10W, SM, Section 20, 27, 28, 29, 34, 35, and 36.

See the attached maps for reference.

- V. Mineral Closing:** This mineral order is subject to valid existing rights and is issued under the authority granted by AS 38.05.185 - 38.05.275 and AS 38.05.300 to the Department of Natural Resources. In accordance with AS 38.05.185(a), I find that the best interests of the State of Alaska and its residents are served by closing the land described in this mineral closing order to entry under the mineral location and mining laws of the State of Alaska. Thereby, the above-described lands are hereby closed to entry under the locatable mineral and mining laws of the State of Alaska.

Concur: _____
Brent Goodrum, Director _____
Division of Mining, Land, and Water Date

Approved: _____
Andrew T. Mack, Commissioner _____
Department of Natural Resources Date

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

**COMMISSIONER'S ADMINISTRATIVE FINDING
MINERAL ORDER NO. 1204
Closing Lands to Mineral Entry**

COOK INLET AS 38.35 PIPELINES

This proposed action involves the closure of state lands to mineral entry within the Cook Inlet area that coincide with the proposed sub-sea Cross Inlet Pipeline Extension Project's (Cross Inlet) Right-of-Way (ROW) leases plus a buffer zone. The purpose of the Cross Inlet project is to re-route and re-purpose existing Cook Inlet O&G pipelines to increase transportation efficiency within the railbelt area and to eliminate the need for the Drift River Oil Terminal near the base of Mt. Redoubt (an active volcano). Two portions of the project require an AS 38.35 ROW lease:

1. the conversion of one of the existing CIGGS 10" marine pipelines from natural gas to oil (ADL 232963)
2. the construction of a new 10" pipeline segment to the Tyonek Transportation System connecting the Tyonek Platform to the Kenai-Beluga Pipeline at Ladd Landing for natural gas (ADL 232962)

The lands subject to this Mineral Order would encompass the two proposed ROW lease corridors, as may be renewed and amended, plus 100 feet on each side of the corridor. Graphic representation of the corridors is provided in the attached maps. Should the ROW leases not be offered, the MO will not be issued. Once issued, this MO will remain effective until the administrative need is met, and will be rescinded upon the closure, termination, or expiration of the related ROW leases. During the construction phase the total amount of state land affected by this order will be approximately 1,230 acres and during the operational phase the total amount of state land affected by this order will be approximately 964 acres.

Consistent with AS 38.05.300, the Commissioner of the Department of Natural Resources can approve a mineral closing order in excess of 640 acres if the closure is related to infrastructure or transportation corridors in which mineral entry is an incompatible use.

The reliable and safe transportation of oil and natural gas in the Cook Inlet area is essential to railbelt communities, the health of the inlet, and those who rely on the inlet for their livelihood. Mining operations have the potential to adversely impact pipeline operations and as such are incompatible uses.

For these reasons, I find:

1. The requirements for closure under AS 38.05.185-38.05.275 and AS 38.05.300 have been met.
2. It is appropriate to close to mineral entry state lands associated with the pipeline corridors as mining is an incompatible use that would adversely affect the proposed use of the surface estate.
3. The proposed Mineral Order will not be issued if the ROW leases are not issued.

4. The proposed Mineral Order will have a sunset clause. The Mineral Order will automatically be rescinded upon the termination, expiration, or closure of both ROW leases. Should one ROW lease be closed before the other, this Mineral Order will automatically be reduced in acreage accordingly.

Concur:

Brent Goodrum, Director
Division of Mining, Land, and Water

Date

Approved:

Andrew T. Mack, Commissioner
Department of Natural Resources

Date

REQUEST FOR RECONSIDERATION PROCEDURES

A person affected by this decision who provided timely written comment or public hearing testimony on this decision may request reconsideration, in accordance with 11 AAC 02. Any reconsideration request must be received in writing within 20 calendar days after the date of “issuance” of this decision, as defined in 11 AAC 02.040(c) and (d), and may be mailed or delivered to Andrew T. Mack, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to dnr.appeals@alaska.gov.

If reconsideration is not requested by that date or if the Commissioner within the time allowed does not order reconsideration on his own motion, this decision goes into effect as a final order and decision on the 31st day after the date of issuance. Failure of the Commissioner to act on a request for reconsideration within 30 days after issuance of this decision is automatic denial of the request for reconsideration and is a final administrative order and decision for purposes of an appeal to Superior Court. (AS 44.37.011 (c): 11 AAC 02.020(c)) The decision may then be appealed to Superior Court within a further 30 days in accordance with the rules of the court, and to the extent permitted by applicable law. An eligible person must first request reconsideration of this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.