

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
STATE PIPELINE COORDINATOR'S SECTION**

ANALYSIS AND PROPOSED DECISION

**TRANS-ALASKA PIPELINE SYSTEM RIGHT-OF-WAY LEASE AMENDMENT
ADL 63574
BURIED SILLS NEAR PIPELINE MILEPOST 19.5**

Proposed Action: Alyeska Pipeline Service Company (APSC), agent for the Trans-Alaska Pipeline System (TAPS) lessees, requested an amendment to the Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574, to add approximately 4.5 acres of land between the pipeline and the Sagavanirktok River.

The lands proposed to be added to the right-of-way are generally described as within the W2NW4 Section 4 and the E2NE4 Section 5, Township 7 North, Range 14 East, Umiat Meridian; containing an area 720 ft. x 275 ft., approximately 4.5 acres.

The purpose of the request is to add lands to the TAPS Right-of-Way Lease for the construction of new buried sills in the uplands of the Sagavanirktok River to prevent additional erosion towards the buried pipeline. The proposed buried sills are east Dalton Highway milepost 398 and east of TAPS pipeline milepost (PLMP) 19.5. The proposed buried sills are south of a field of existing buried sills. Adding these buried sills will protect the integrity of the pipeline by reducing the risk of flood-related damage. The additional land is necessary to support the existing pipeline system as defined in AS 38.35.230(7) and authorized by the Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574. See drawings for more details (Attachments A and B).

Authority: AS 38.35.015 and Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574.

Administrative Record: Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574, and the associated Right-of-Way Lease Amendment case file.

Background: Notice of the Right-of-Way Amendment Application was published in the Anchorage Daily News, Fairbanks News Miner, on the State of Alaska on-line Public Notice web page, and on the Division of Oil and Gas Newsroom web page on March 6, 2018. Notice of the Right-of-Way Amendment Application was sent for posting in the Prudhoe Bay, Coldfoot and Fairbanks post offices.

Per AS 38.35.070, the following coordinate agencies were notified of the application documents: Alaska Department of Environmental Conservation, Department of Labor & Workforce Development, Department of Law, Department of Fish & Game, Department of Commerce, Community, & Economic Development, and Department of Transportation & Public Facilities.

On March 28, 2018, the State Historic Preservation Office determined that no historic properties were affected by this proposed action and provided confirmation of its determination to the State Pipeline Coordinator's Section (SPCS).

Project Description: The project site is located approximately 19 miles south of Pump Station 1 along the Trans-Alaska Pipeline. In this area, the Dalton Highway and the pipeline follow the west side of the Sagavanirktok River floodplain. This project will construct three buried sills between the pipeline workpad and the riverbank. The buried sills consist of excavated trenches filled with riprap.

Title: The State of Alaska received title to the lands in Sections 4 and 5, Township 7 North, Range 14 East, Umiat Meridian, pursuant to (GS-1609) by Patent No. 50-74-0107 on March 27, 1974.

Planning and Classification: The lands encompassed by this application were classified as Resource Management (RMG) under classification CL-617; are subject to ADL 50666, North Slope Area Special Use Lands; and are within the Dalton Highway corridor (AS 19.40.010). The lands are closed to mineral entry by Mineral Order (MO) 1147, dated August 1, 2014.

A land classification establishes the apparent best use of an area, but all other uses are presumed as compatible unless otherwise prohibited. According to 11 AAC 55.200, land classified as Resource Management is either land that might have a number of important resources, but for which a specific resource allocation decision is not possible at this time, or land that contains one or more resource values, none of which is of sufficiently high value to merit designation as a primary use. Classification (CL-617) did not prohibit the proposed use for the lands in the subject area and the proposed use is compatible under the classification.

The North Slope Area Special Use Lands (ADL 50666) designation requires that in addition to permitting requirements under 11 AAC 96.010, a permit is required for motorized vehicle use, unless that use is for subsistence purposes or is on a graveled road. The requirement for a permit or authorization would be fulfilled through the issuance of this proposed right-of-way lease amendment. This requirement does not prohibit the development of lands within the Umiat Meridian.

The designated area for the Dalton Highway corridor (AS 19.40) does not prohibit the issuance of this right-of-way amendment, adding 4.5 acres of land adjacent to the Sagavanirktok River. Pursuant to AS 19.40.200(a), the state may not dispose of state land under AS 38 that is within five miles of the highway right-of-way. However, AS 19.40.200(b)(4) states the prohibition on disposal of state land under (a) of this section does not apply to a disposal for lands necessary for exploration, development, production or transportation of oil or gas in this project area.

Public Notice: Notice of this Analysis and Proposed Decision will be published in the Anchorage Daily News and Fairbanks News-Miner on April 10, 2018. It also will be sent for posting in the Prudhoe Bay, Coldfoot and Fairbanks Post Offices and posted on the State of Alaska, and Division of Oil and Gas on-line Public Notice web pages.

If public comment indicates the need for significant changes in the proposed decision, additional public notice will be given on or after May 11, 2018. If no significant change is required, the proposed decision, including any minor changes, will be issued as the final decision of the Department of Natural Resources after May 10, 2018 without further notice.

Analysis: AS 38.35, the Alaska Right-of-Way Leasing Act, sets forth the procedures by which certain right-of-way leases are granted by the State of Alaska and the conditions under which they can be amended. As set out in AS 38.35.010, it is the policy of the state that development, use, and control of a pipeline transportation system make the maximum contribution to the development of the human resources of this state, increase the standard of living for all its residents, advance existing and potential sectors of its economy, strengthen free competition in its private enterprise system, and carefully protect its incomparable natural environment.

Pursuant to AS 38.35.015, the Commissioner has the power to grant leases of state land for pipeline right-of-way purposes. The Commissioner found it to be in the best interest of the residents of the State of Alaska to issue the Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574 on May 3, 1974, and the Renewal and Amendment of Right-of-Way Lease for the Trans-Alaska Pipeline and Associated Rights, ADL 63574 (effective on May 2, 2004). The terms, conditions, stipulations and reservations contained in the Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574, will apply to these lands if added to the lease.

AS 38.35.020(a) requires the applicant to obtain a right-of-way lease of state land from the Commissioner. The buried sills along the Sagavanirktok River protect the pipeline from flood-related damage, and although the request to raise and extend them is consistent with the original purpose of the lease, the field of buried sills involves a disposal of an interest in state land beyond what was included during the original adjudication. An amendment to the lease is required when there is a disposal of an interest in state land or resources beyond what was reviewed and approved during the original adjudication.

APSC is constructing new buried sills near existing buried sills. Adding the buried sills will protect the integrity of the pipeline by reducing the risk of flood-related damage. These sills are defined by Stipulation 1.1.1.36(8) of the Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574, as "Related Facilities," the substantial and continuous use of which is necessary for the operation or maintenance of the TAPS pipeline.

Findings: The construction of this field of buried sills is integral to the protection of the pipeline. The buried sills are a "Related Facility," as defined by the lease, and will be managed under the lease. The proposal to add the above-described lands to the Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574, is consistent with the lease. The terms, conditions and stipulations contained in Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574, adequately address and protect the interest of the State of Alaska. The added buried sills will protect the integrity of the pipeline by reducing the risk of flood-related damage.

The SPCS will examine the project area upon completion of the construction activities to ensure all lands are in a condition acceptable to the Commissioner. An as-built survey is required for this amendment to identify the additional ROW area and to depict the location off the buried sills in relation to the controllable survey of the ROW. The as-built survey is to be submitted for review and acceptance by the Commissioner, pursuant to Section 1(e) of the Trans-Alaska Pipeline System Right-of-Way Lease, ADL 63574, as amended.

The addition of these lands to the lease does not constitute a significant amendment to the lease, since the impact on state resources will be negligible and the project does not conflict with or significantly change existing use of the land. Approval of the request for the amendment to add the described lands is consistent with state statutes and the terms of the lease. The lessee is required to secure all necessary permits or authorizations required by other state and federal agencies

Proposed Decision: I find that the request to amend the Right-of-Way Lease for the Trans-Alaska Pipeline, ADL 63574, to include the lands described in this proposed decision is in the best interest of the state and does not constitute a significant amendment to the lease.

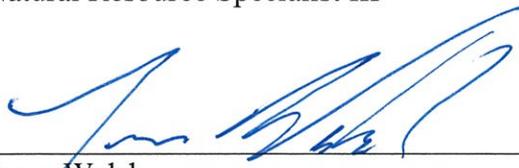
If no significant change is required as a result of public comment or objection, then the proposed decision, including any minor changes, will be issued as the final decision of the Department of Natural Resources after May 10, 2018, without further notice.



Dan Beutel
Natural Resource Specialist III

4/9/18

Date



Jason Walsh
State Pipeline Coordinator

4/10/18

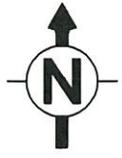
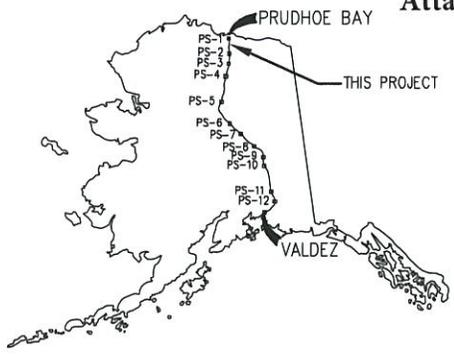
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Attachment A: Trans-Alaska Pipeline System, Buried Sill Installation
TAPS MP 19 Sag River, Location and Vicinity Map, Plate 1, Sheet 1 of 3,
dated 02/02/18 (1 page)

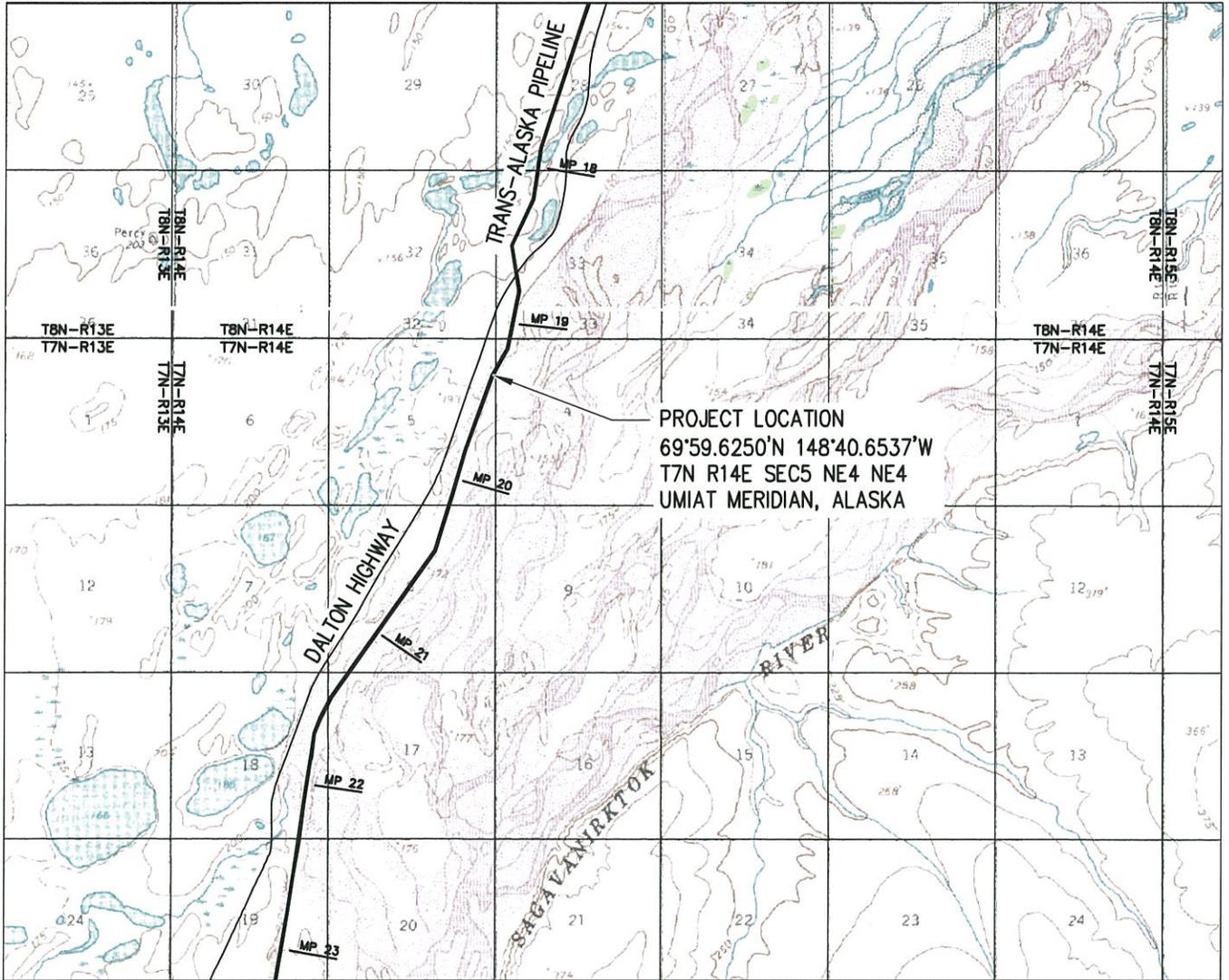
Attachment B: Trans-Alaska Pipeline System, Buried Sill Installation
TAPS MP 19 Sag River, Plan, Plate 2, Sheet 2 of 3,
dated 02/02/18 (1 page)

Attachment A : Analysis of Amendment Application and Proposed Decision

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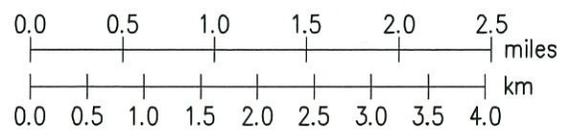


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ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

X318-20X TAPS MP 19 SAGAVANIRKTOK RIVER
BURIED SILL INSTALLATION
LOCATION AND VICINITY MAP

TRANS ALASKA PIPELINE SYSTEM

DATE: 02/02/18

PLATE 1

REV.	B	DWN. MTH	CKD. AJN	APPR. JPD
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SCALE: AS NOTED	SHEET 1 OF 3
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Attachment B : Analysis of Amendment Application and Proposed Decision

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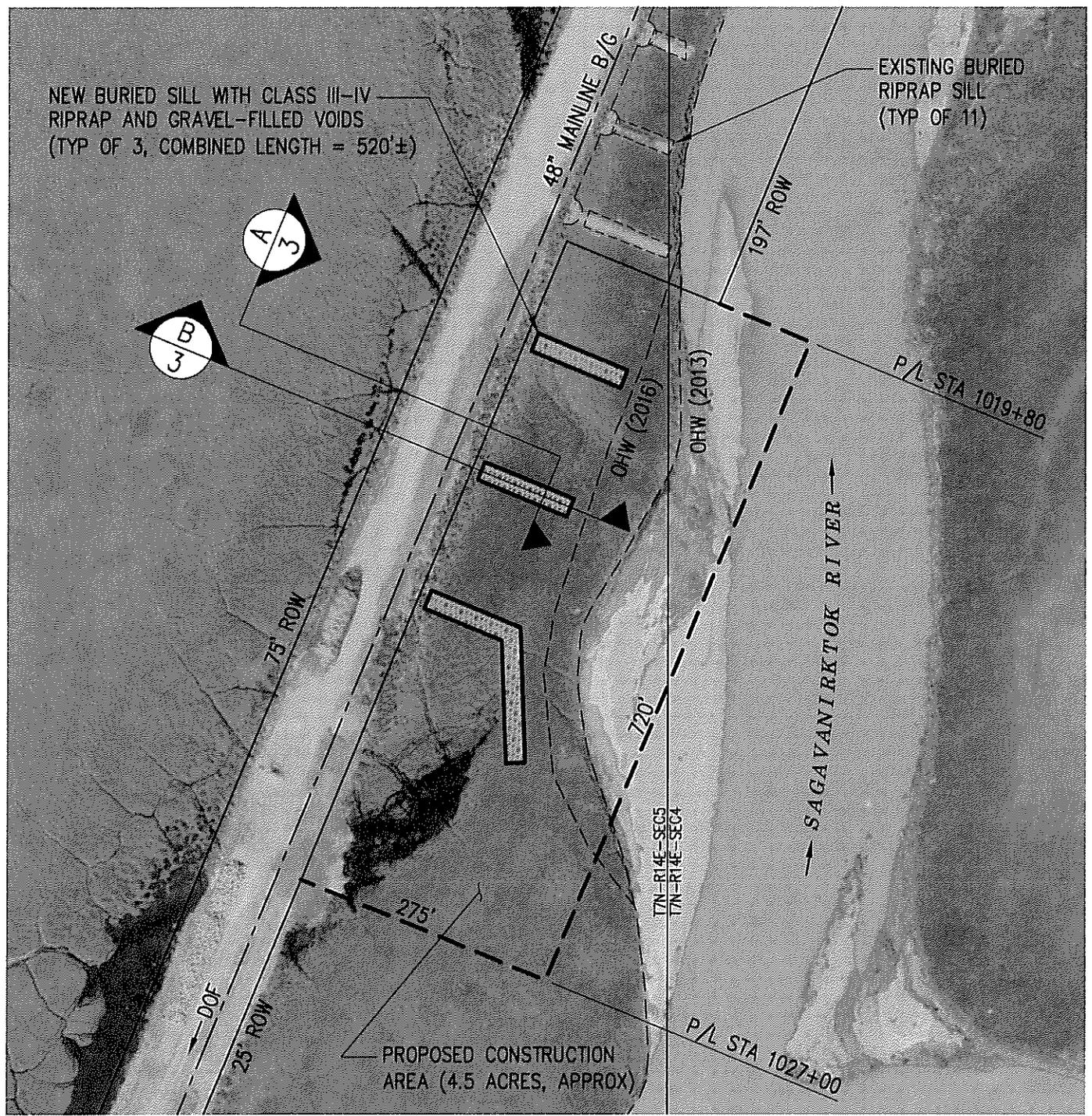
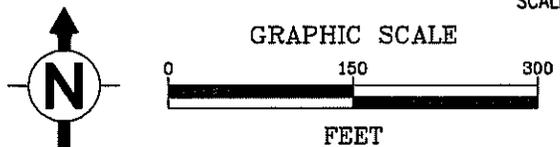


PHOTO DATE: 2013

PLAN

SCALE: 1" = 150'



ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

X318-20X TAPS MP 19 SAGAVANIRKTOK RIVER
BURIED SILL INSTALLATION
PLAN

TRANS ALASKA PIPELINE SYSTEM

DATE: 02/02/18 PLATE 2

REV.	B	DWN. MTH	CKD. AJN	APPR. JPD
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SCALE: AS NOTED	SHEET 2 OF 3
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