



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION/OFFICE

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Anchorage, Alaska 99501-3560  
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March 17, 2016

Jameson White  
Project Manager  
Global Geophysical Services, Inc.  
7720 King St  
Anchorage, AK, 99518

**RE: MLUP /CI 16-001, Global, South Kenai 2D, Geophysical Exploration Permit Approval**

Dear Mr. White:

The Department of Natural Resources (DNR), Division of Oil and Gas (Division) approves the Global Geophysical Services, Inc. (Global) South Kenai 2D Miscellaneous Land Use Permit (MLUP) application, dated January 28, 2016, to conduct geophysical exploration on State of Alaska lands in the South Central Region of Alaska. The enclosed permit, MLUP/CI 16-001, authorizes Global to conduct a land seismic survey on State of Alaska land within the Kenai Peninsula Borough (KPB) subject to the conditions of the permit. This project includes approximately 50 linear miles of 2D acquisition.

This permit is effective March 17, 2016 to May 31, 2016.

Issuance of a permit under 11 AAC 96 is not a disposal of an interest in land and does not grant a preference right to a lease or other disposal. The permit is revocable for cause for violation of a permit stipulation of this chapter, and is revocable at will if the DNR determines that the revocation is in the state's interest. The proposed activities are for a discrete and limited duration with limited, temporary impact to the land, and are not part of a larger project or investment by the permittee that might weigh against revoking the permit. Therefore the permit is both legally and functionally revocable. Each permit issued is subject to any stipulations the DNR determines necessary to assure compliance with this chapter, to minimize conflicts with other uses, to minimize environmental impacts, or otherwise to be in the interests of the state. Public notice of any miscellaneous land use application is discretionary under 11 AAC 96.030(c). The Director of the Division of Oil and Gas (Director) has the right at any time to amend or modify any provisions of this permit, or revoke this permit.

**Project Description: Proposed Activity, Associated Structures, Type of Equipment:**

This project is planned to take place from mid- March through May 31, 2016. The source energy will be explosive charge or vibration and will be recorded using Global's AutoSeis™ Land HDR patented autonomous nodal acquisition systems. The seismic source (shot) holes will be approximately three inches in diameter and will be drilled to a target depth of 35 feet. Explosive charges will be spaced 110 feet apart and recorders units will be spaced approximately 330 feet

apart. The planned charge size is 1.1 kg (2.4 lbs.) or 2.2 kg (4.9 lbs.) depending on testing results. Access to the project site will be via existing roads where possible. Snow machines will be used for off-road access. In the event that there is insufficient snow cover, all-terrain vehicles (ATVs) such as Kubota RTVs may be used.

Sections Crossed or Within 500 ft. of the South Kenai 2D Seismic Survey Program:

Meridian: Seward

Township: 1S	Range: 12W	Section(s): 35, 36
Township: 2S	Range: 11W	Section(s): 1-3, 7-10, 17-21, 28
Township: 2S	Range: 12W	Section(s): 1, 2, 12, 13, 23, 24
Township: 3S	Range: 13W	Section(s): 18, 19
Township: 3S	Range: 14W	Section(s): 9-11, 13-15
Township: 4S	Range: 11W	Section(s): 17-20, 28, 29, 33
Township: 4S	Range: 13W	Section(s): 31, 32
Township: 4S	Range: 14W	Section(s): 19-21, 28-30
Township: 4S	Range: 15W	Section(s): 1, 2, 11-13, 22-28, 34, 36
Township: 5S	Range: 11W	Section(s): 4, 5
Township: 5S	Range: 13W	Section(s): 5-9, 16, 17, 21, 22, 27
Township: 5S	Range: 14W	Section(s): 6
Township: 5S	Range: 15W	Section(s): 1-5, 11-14, 16, 21

**Scope of Decision:**

**This decision is reviewing the following activities for Division approval:**

Geophysical exploration activities on State of Alaska lands as defined in the application and modified by this permit approval.

**This decision is not reviewing the following activities for Division approval:**

Geophysical exploration activities on private lands. Restrictions within the Kachemak Bay State Park land (as depicted in the KPB parcel viewer - Parcel ID 17207215) and at the Anchor River State Recreational Area (LAS 30787 and ADL 221504) apply to the project area. The applicant is not alleviated from obtaining other authorizations or permits necessary to conduct geophysical exploration on State of Alaska land within the KPB.

**Land Status:**

The proposed South Kenai 2D program is located on state land within the KPB (See map in Appendix C).

Interests within or near the sections listed above: These interests are identified in Alaska's Land Administration System and AlaskaMapper both available online at <http://dnr.alaska.gov/mlw/index.htm>

Administrative Large Parcels

AS41.21.130 - State Park

AS16.20.590 - State Critical Habitat Area

AS38.05.184 - State Restricted Area  
AS16.20.605 - State Critical Habitat Area  
AA-57760 - National Wildlife Refuge

Special Use Land

ADL 226574 – Caribou Hills Special Use Area

Agreement, Settlement, Reconvey

ADL 200641 - Reconveyance  
ADL 224647 - Reconveyance  
ADL 224647 - Agreement/Settlement  
ADL 200641 - Agreement/Settlement  
ADL 200641 - Deed/Title - BLM for CIRI  
DOT AA028297 - University Settlement  
QCD 661 - Agreement/Settlement  
ADL 214785 - Deed/Title - BLM for CIRI  
DOT AA028297 - Agreement/Settlement  
ADL 228309 - Agreement  
ADL 224805 - Reconveyance  
ADL 227592 - Conversion to Ag Covenant  
ADL 200694A - Conversion to Ag Covenant  
ADL 200693A - Conversion to Ag Covenant  
ADL 200691A - Conversion to Ag Covenant  
ADL 200695A - Conversion to Ag Covenant  
ADL 200699A - Agreement/Settlement  
DOT AA039904 - Deed/Title - BLM for CIRI  
ADL 200641 - University Settlement  
ADL 214785 - University Settlement  
ADL 214785 - Deed/Title - BLM for CIRI  
DOT AA024612 - Agreement/Settlement  
ADL 74260 - University Settlement  
QCD 718 - Agreement/Settlement  
ADL 214785 - Agreement/Settlement  
ADL 200641 - Agreement/Settlement

Easements

ADL 223104 - Johnson Gerald W - Non Exclusive Row  
ADL 217541 - Homer Elec Assoc. Inc. - Utility  
ADL 63711 - DNR DMLW Realty Services Selection Lands - Right of Way  
ADL 212263 - Homer Elec Assoc. Inc. - Utility  
ADL 200566 - DNR DMLW SCRO Easements - Utility  
ADL 200567 - DNR DMLW SCRO Easements - Right of Way  
ADL 225696 - DNR DMLW SCRO Classification & Easements- Right of Way  
ADL 29520 - BP America Production Company - Right of Way  
ADL 217541 - Homer Electric Association Inc. - Utility  
ADL 200045 - Homer Electric Association Inc. - Right of Way  
ADL 223236 - Bloom Kenton - Right of Way  
ADL 229161 - ADFG Commercial Fish - Access

ADL 34494 - Homer Electric Association Inc. - Utility  
ADL 19687 - DOTPF Design and Construction Central Region - Right of Way  
ADL 19359 - DOTPF Design and Construction Central Region - Right of Way

Federal Actions

A042863 - R/W  
AO48710 - R/W

Management Agreement

ADL 65068 - Management Agreement  
ADL 221445 - Management Right  
ADL 223199 - Management Right  
ADL 231220 - Management Right  
ADL 65068 - Management Agreement  
ADL 19515 - Management Agreement  
ADL 44432 - Management Agreement  
ADL 42295 - Management Agreement

State Tentatively Approved or Patented

GS 6 - General Grant  
GS 7 - General Grant  
GS 64 - General Grant  
GS 66 - General Grant  
GS 60 - General Grant  
GS 58 - General Grant  
GS 42 - General Grant  
GS 76 - General Grant  
GS 69 - General Grant  
GS 1264 - General Grant  
GS 107 - General Grant  
GS 1198 - General Grant  
SCH 72 - School Section  
SCH 76 - School Section  
SCH 73- School Section  
SCH 77 - School Section  
SCH 81 - School Section  
SCH 83 - School Section  
UNIV 38 - University Selection  
UNIV 4 - University Selection  
PL507 18L - Public Law

Other State Acquired Land- Land Estate

OSL 1474 - Other State Land  
OSL 898 - Other State Land  
OSL 547 - Other State Land  
FCL 22 - Foreclosure  
LSH 364 - Limited State Holding  
LSH 363 - Limited State Holding

LSH 613 - Limited State Holding

Resource Sale

ADL 216373 - Timber Sale

Land Agreements, Settlements, Conveyances, Reconveyances and Municipal Entitlements of land: Numerous parcels exist within the project area which are not public land. This permit does not grant access to any non-state lands.

**Agency Review:**

The Division provided an Agency review and comment opportunity for the activities considered for authorization under this decision. The following government entities were notified on January 28, 2016 for comment on the application: Alaska Department of Fish and Game (ADFG), DNR Parks, DNR Land Sales, Alaska Department of Environmental Conservation (ADEC), Kenai River Center, Kenai Borough, Alaska Oil and Gas Conservation Commission (AOGCC) and DNR: State Pipeline Coordinator's Office, Division of Mining Land and Water, Office of Project Management and Permitting, and Division of Oil and Gas. The comment deadline was 4:30 pm Alaska time on February 4, 2016. Comments were received by ADFG. Additionally, the Alaska State Historic Preservation Office (AK SHPO) provided correspondence to DNR on February 11, 2106 addressed in the agency response to comments. Agency comments and AK SHPO correspondence are summarized in Appendix B. The Permit Application was modified to incorporate the Agency comments and correspondence from AK SHPO. The Permit Application was then publicly noticed.

**Public Review:**

Public notice of the Permit Application and opportunity to comment was published in the Alaska Dispatch News and Peninsula Clarion newspapers on February 9, 2016 with a deadline for comments on March 9, 2016 at 4:30 pm Alaska time. Public notice also appeared in the Homer Tribune on February 10, 2016 with a comment deadline of March 9, 2016 at 4:30 pm Alaska time. Additionally, a copy of the notice was posted on DNR's web site and mailed to the Anchor Point, Homer, Kasilof, Kenia, Nikolaevsk, Ninilchik and Soldotna Postmasters. Timely comments were received by the Kachemak Bay Conservation Society (KBCS), Cook Inletkeeper (CIK), Kevin Hughes and Laura Baldwin and considered by the Division. The Division and Global modified the Permit Application to appropriately address public comments; public comments and the Division's Global's responses are summarized in Appendix B.

**Performance Guarantee:**

The permittee has provided the Division with a performance guarantee under 11 AAC 96.060 in the amount of \$100,000.

**Insurance:**

The certificate of insurance has been furnished to the department and lists the State of Alaska, Department of Natural Resources as an additional named insured on the policy. The policy is issued by an insurer licensed to transact the business of insurance under AS 21.

**Application Approved:**

Should any unforeseen issues arise, the Division has the authority to amend or revoke this permit. As detailed in this permit, the Division shall be notified if, during the conduct of

activities, a surface use conflict occurs. All activities conducted under this permit are subject to inspection by the Division, and if damage occurs, appropriate interest holders will be engaged and corrective action will be prescribed. The Division will impose additional provisions as necessary under 11 AAC 96.040 at any time during the activity approved under this permit to minimize impacts and conflicts.

The Division considered all facts material to this application including the permit provisions contained in this authorization per 11 AAC 96.040(b). The Division has determined that this permit as conditioned by the attached provisions for this non-permanent activity is in the state's interest. Stipulations in this permit authorization are necessary to protect the state's interest and the public interest.

An eligible person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received 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 the 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](mailto:dnr.appeals@alaska.gov). This decision takes effect immediately. An eligible person must first appeal 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.

Sincerely,



Kim Kruse  
Permitting Manager  
Division of Oil and Gas

Appendices:

- A: Stipulations
- B: Comments (attached)
- C: Map(s)

ecc: Division: Kim Kruse, Thomas Barrett, John Easton, Jeanne Frazier and Heather Heusser  
DMLW: Project Development Team, Clifford Larson, James Sowerwine, Eric Moore and Henry Brooks  
ADFG: Marla Carter and Virginia Litchfield  
ADEC: [dec.water.oilandgas@alaska.gov](mailto:dec.water.oilandgas@alaska.gov), Gary Evans, Mike Evans and Graham Wood  
OPMP: Sara Taylor, Mark Morones, Sara Longan and Jeff Bruno  
Borough: Marcus Mueller and Julie Denison  
DPOR: Pamela Russell, and Ryan Thomas  
Other: Barbara Mahoney,  
Public Commenters: Kachemak Bay Conservation Society, Cook Inletkeeper, Kevin Hughes and Laura Baldwin

**APPENDIX A: STIPULATIONS**  
**MISCELLANEOUS LAND USE PERMIT FOR GEOPHYSICAL EXPLORATION**

Geophysical and Seismic activities are subject to the following permit stipulations:

**Standard Stipulations:**

1. The permittee shall defend, indemnify and hold the State of Alaska harmless from and against any and all claims, damages, suits, losses, liabilities and expenses for injury to or death of persons and damage to or loss of property arising out of or in connection with the entry on and use of State lands authorized under this permit by the permittee, its contractors, subcontractors and their employees.
2. A copy of the permit and stipulations must be posted in a prominent location where other permits and safety information are displayed for crew members. The permittee shall make available a copy of the application, all subsequent modifications, and a copy of this permit and all its attachments to any interested party upon request in a reasonable time.
3. The permittee shall notify and obtain a modification from the Division in advance of any activities which deviate from the approved permit. Any action taken by the permittee or his agent which increases the overall scope of the project or which negates, alters, or minimizes the implied intent of any stipulation contained in this permit will be considered a deviation from the approved permit.
4. The issuance of this permit does not alleviate the necessity of the permittee to obtain authorization required by other agencies for this activity.
5. The permittee shall inform and ensure compliance with all conditions of this permit by its employees, agents and contractors, including subcontractors at any level.
6. **Reservation of Rights:** The Division reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land under this permit. Authorized concurrent users of state land, their agents, employees, contractors, subcontractors, and licensees, shall not interfere with the operation or maintenance activities of each user.
7. **Valid Existing Rights:** This permit is subject to all valid existing rights and to the land. The State of Alaska makes no representations or warranties whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.
8. The Commissioner of the DNR may require that an authorized state representative be present during any oil and gas activities described in or conducted under this permit.
9. The permittee shall consult the Alaska Heritage Resources Survey (907-269-8721) so that known historic, archeological and paleontological sites may be avoided. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation (907-269-8721) shall be notified immediately.

10. The permittee shall make available, to the Division, all records relating to the permit activities and landowner approvals upon request.
11. The permittee shall observe and apply applicable setbacks as defined by 18 AAC 80.020, 18 AAC 72 and/or the International Association of Geophysical Contractors Setback Guidelines to activities approved under this authorization. Alternative setback distances may be employed to protect coastal uses and resources, water wells, structures, private property including livestock, and other resources if it is determined that a particular guideline is insufficient.
12. Trails, campsites and work areas must be kept clean. Trash, survey lath, markers, and other debris that accumulates in camps, along seismic lines, and travel routes that are not recovered during the initial cleanup, shall be picked up and properly disposed of within one calendar year.
13. The Director has the right at any time to modify or revoke this permit.
14. All wastewater must be disposed of in a manner acceptable to ADEC and must meet Alaska Water Quality Standards found at: <http://dec.alaska.gov/water/wqsar/wqs/>.
15. ADEC Drinking Water regulations 18 AAC 80 apply to public water systems.
16. Performance Guaranty. To ensure performance with all of the terms of the permit and to cover the potential cost of restoring the site, the permittee will maintain security acceptable to the state.
17. Insurance. The permittee shall maintain insurance to protect the State from risks associated with the planned activities during the term of the permit. The Permittee shall maintain a comprehensive general liability insurance policy with the state named as an additional insured party. The insurance requirement must be for no less than \$1,000,000.00 per occurrence and \$2,000,000.00 per annual aggregate. The insurance requirement may be adjusted periodically by the Division.

**Land and Access Stipulations:**

1. The permit authorizes the Permittee to conduct geophysical/seismic exploration activity upon lands owned by the State of Alaska. No person may engage in mineral exploratory activity on land, the surface of which has been granted or leased by the State of Alaska, or on land for which the state has received the reserved interest of the United States.
2. This permit does not authorize activity on Mental Health Trust Lands, School Trust Lands, Park Lands, or Lands of the University of Alaska.
3. Approval of this permit does not constitute the approval required for surface entry on non-state land without an agreement with the surface owner. This permit does not approve entry on private land.

**Public Safety and Program Outreach Stipulations:**

1. Public safety: Appropriate signage will be deployed on all access routes and roadways in the project area. The Department of Transportation or Right of Way Lessee may advise permittee on appropriate measures to maintain safe conditions where appropriate. The permittee must watch for, provide verbal warning to and document people or vehicles entering potentially dangerous

areas of the project. Lighting and marking with lath or fluorescent tape of some project work areas is advised for activities that occur during periods of sustained darkness or where conditions are unsafe for humans or animals.

2. Notices: To avoid unintended conflicts with other users, the permittee shall post a Notice of this project at conspicuous locations including key travel intersection crossings, areas of public use and in a prominent location in any operators or contractors staging area or camp. The Notice shall include the Division's contact number (907-269-8800), project title and permit number, names and contact telephone numbers of the permittee and all operators. The permittee shall provide notices on behalf of the Division to all upland owners involving shoreland, tideland, or submerged land adjacent to the upland owner's property if no notice or agreement is made with the owner by the permittee as required under 11 AAC 96.030(c). All forms of public outreach must be documented and reported to the Division as they occur.
3. In areas of subsistence and personal use harvesting, the permittee will coordinate survey activity with local users to prevent unnecessary conflicts. The permittee shall make a good faith attempt to coordinate survey activities with the owners of trap lines if known. Existing snowmachine, dogsled, or other trails, should be marked with survey lath where they intersect receiver and source lines. The permittee is required to post notice of potentially dangerous or hazardous project activities at these locations.

**Fuel and Hazardous Substances Stipulations:**

1. Fuel and hazardous substances. Secondary containment shall be provided for fuel or hazardous substances, as defined under AS 46.03.826 (5) or under 42 U.S.C. 9601(14)F.
2. Fuel or hazardous substance transfers. Secondary containment or a surface liner must be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends during fuel or hazardous substance transfers. Appropriate spill response equipment to respond to a spill of up to five gallons must be on hand during any transfer or handling of fuel or hazardous substances. Transfer operations shall be attended by trained personnel at all times.
3. Fuel or hazardous substances container(s) with a total combined capacity larger than 55 gallons shall not be stored within 100 feet of a waterbody.
4. Sorbent material in sufficient quantity to handle operation spills must be on hand at all times for use in the event of an oil or fuel spill.
5. Any use of explosives or blasting materials must comply with ADFG Habitat Publication No. 13-03, Alaska Blasting Standard for the Proper Protection of Fish. Additionally the permittee must contact the nearest ADFG Division of Habitat office regarding the need for a Fish Habitat permit.
6. Stationary fuel storage facilities must not be placed within the annual floodplain of a watercourse or closer than 100 feet to a waterbody. There shall be no fueling, servicing or repair of vehicles or equipment, and no vehicles shall be left unattended within the floodplain or below the ordinary high water line of any river, lake or stream or closer than 100 ft. to a waterbody or wetland.

**Wildlife Stipulations:**

1. All activities shall be conducted in a manner to minimize or avoid disturbance to wildlife and their habitat. Hazing of wildlife is prohibited unless a Health Safety and Environment concern is present.
2. Activities must avoid occupied grizzly bear dens and black bear dens by one-half mile unless alternative mitigation measures to minimize disturbance are authorized by the Division after consultation with ADFG. Known den locations shall be obtained from the nearest ADFG Division of Wildlife Conservation office prior to starting operations. Occupied dens encountered in the field must be reported to the above, and subsequently avoided.
3. The permittee shall abide by the provisions of Alaska's wildlife feeding regulation, 5 AAC 92.230.
4. Activities within State-designated special areas (AS 16.20.010- .162, .500-.690) will be conducted in a manner consistent with the area's statutes, regulations and management plan.

**Cook Inlet Stipulations:**

1. If flowing or artesian water is encountered during the drilling of shot holes, the DMLW shall be contacted at 907-269-8645. Action may be required to stop the flow.
2. On-site refuse disposal is prohibited. The permittee will remove and dispose of all waste generated during operation and termination activities under this authorization to an off-site ADEC approved disposal facility. Waste, in this stipulation, means all discarded matter, including but not limited to human waste, trash, garbage, refuse, oil drums, petroleum products, ash and discarded equipment. Unattended vehicles and equipment will not be parked or left on the traveled surface of existing off- line trails or access routes.
3. Snow ramps or snow bridges may be used as appropriate to provide access across over flows so as to preclude cutting, erosion or degradation to any watercourse. Ice or snow bridges and approach ramps constructed at stream, river or slough crossings shall not contain extraneous material (i.e., soil, rock, brush, or vegetation). Ice or snow bridges shall be removed immediately after use or prior to breakup or breached to facilitate water flow during breakup.
4. Existing roads, trails, and natural clearings must be used wherever possible. Trail widths and clearing shall be kept to a minimum. Trail surfaces may be cleared of brush, stumps, and snags. Site disturbance shall be kept to a minimum to protect local habitats. All activities at the site shall be conducted in a manner that will minimize the disturbance of soil and vegetation and changes in the character of natural drainage systems. Additionally, any ground disturbance which may have occurred shall be restored to its original condition contoured to blend with the natural topography to protect human and wildlife health and safety. Particular attention must be paid to prevent pollution and siltation of streams, lakes, ponds, waterholes seeps and marshes, and disturbances to wetlands.
5. All forest clearing activities must be designed to reduce the likelihood of increased insect infestation and disease infections that threaten forest resources. All slash and cull logs four inches in diameter and larger should be disposed of by burning, burying, chipping, or peeling, or removed off-site.

**Project Specific Stipulations:**

1. A 100 foot setback for shot holes from anadromous streams is required by ADFG.
2. A 500 foot buffer around Alaska Heritage Resources Survey (AHRS) sites is required for shotholes locations and vehicle access. Additionally, a 50 foot buffer around (AHRS) sites is required for receiver placement and pedestrian access.

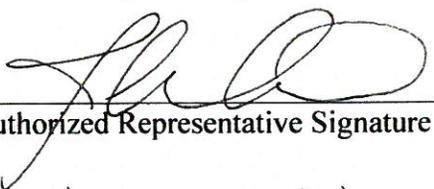
**Reporting Stipulations:**

1. **Geophysical Data Submission Requirement Form:** As a stipulation of the issuance of this MLUP for Geophysical Exploration, the permittee acknowledges the requirements of 11 AAC 96.210 (1) and agrees to notify the Director of the Division of the availability of processed seismic exploration data within 30 days of completion of initial processing and submit seismic exploration data. The Geophysical Data Submission Requirements can be found on the DNR Division's Website <http://dog.dnr.alaska.gov/Permitting/permittingForms.htm>. Your signature acknowledges your obligation to fulfill the Data Submittal requirements. This report shall be submitted to [dog.redata@alaska.gov](mailto:dog.redata@alaska.gov) before each survey commences.
2. **Activity Completion Report** Upon expiration of the MLUP or completion of all activities authorized under the MLUP, whichever occurs first, an Activity Completion Report must be submitted summarizing activities, equipment trails, camps and staging areas, damages to State lands and surface impacts, lost equipment, fires, and unintended explosions, spills, land-use conflicts and work completed. The report shall include a map depicting all mulched trails. Rehabilitation, if required, shall be completed to the satisfaction of the DNR. This report shall be submitted to [dog.permitting@alaska.gov](mailto:dog.permitting@alaska.gov).  
  
If the term of the MLUP exceeds one calendar year from the date of approval, an annual Activity Completion Report, in addition to the final Activity Completion Report, must be submitted discussing the above information and projected activities for the rest of the permit term. If no activities are completed under the MLUP, an Activity Completion Report must be submitted on or before the expiration of the MLUP stating that no activities occurred.
3. **Geophysical Activity Completion Report Form:** The permittee must complete and return a Geophysical Activity Completion Report form for each survey acquired. Please submit a separate form for each sub-program data submittal. A non-confidential public completion report will be placed into the MLUP permit file each time a sub-program is completed. Geophysical Activity Completion reports must be submitted to the Division's Resource Evaluation Section within 30 days of completion of all activities. For in depth instructions on how to complete the form, please refer to the Division's permitting website <http://dog.dnr.alaska.gov/Permitting/PermittingForms.htm>. This report shall be submitted to [dog.redata@alaska.gov](mailto:dog.redata@alaska.gov). If no activities are completed under the MLUP, an Activity Completion Report from must be submitted on or before the expiration of the MLUP; be sure to check box 27 to indicate the survey was cancelled.
4. **Geophysical Processing Completion Report Form:** The permittee must complete and return a Geophysical Activity Completion Report form for each survey acquired. Please submit a separate form for each sub-program data submittal. A confidential Processing Completion report will be submitted each time a sub-program is completed. The Processing Completion reports

must be submitted to the Division's Resource Evaluation Section within 30 days of completion of initial processing. For in depth instructions on how to complete the form please refer to the Division's permitting website <http://dog.dnr.alaska.gov/Permitting/PermittingForms.htm>. This report shall be submitted to [dog.redata@alaska.gov](mailto:dog.redata@alaska.gov)

5. **In-Field Operations Notice:** During activities conducted under the MLUP, the permittee must submit weekly reports summarizing activities undertaken and their location within the permit area. These reports shall be submitted to [dog.permitting@alaska.gov](mailto:dog.permitting@alaska.gov).
6. **Spill Notifications:** The permittee shall comply with the ADEC requirements for reporting the unauthorized discharge, leak, or spill of hydrocarbons or toxic or hazardous substances. The permittee shall notify the Department of Natural Resources of all spills that must be reported under 18 AAC 75.300 under timelines of 18 AAC 75.300. All unintentional fires and explosions must be reported to DNR immediately. The DNR 24 hour spill number is (907) 451-2678; the fax number is (907) 451-2751, DOG must be notified at [dog.permitting@alaska.gov](mailto:dog.permitting@alaska.gov). DNR and ADEC shall be supplied with all follow-up incident reports.
7. Blowouts, as defined as the detonation of source points that caused surface damaged, are reportable if the surface damaged is larger than 36 inches. The report must include the location (Lat./Long. in WGS 84) and pictures of the blowout. All blowouts will need to be reclaimed or rehabilitated to the satisfaction of the Alaska DNR.
8. A summary record of all surface impacts, lost equipment, spills, fires, and unintended explosions, shall be included in the Permitting Section's completion report. Rehabilitation, if required, shall be completed to the satisfaction of the DNR.
9. All fires and explosions that require a response to protect life and property must be reported to DNR and ADEC immediately and shall be supplied with all follow-up incident reports.
10. The Division's Permitting Section shall be notified in Anchorage by telephone at 907-269-8800 and by email at [dog.permitting@alaska.gov](mailto:dog.permitting@alaska.gov) if, during the conduct of activities, state resources are damaged or a conflict occurs.
11. The permittee shall make available a copy of the seismic application, all subsequent modifications, and a copy of this permit and all its attachments to any interested party upon request in a reasonable time.

I acknowledge, and agree to these Permit terms, conditions and stipulations.

  
\_\_\_\_\_  
Authorized Representative Signature

\_\_\_\_\_  
Date 3/17/16

JAMESON WHITE  
\_\_\_\_\_  
Authorized Representative Printed Name



## 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.