



THE STATE
of **ALASKA**

GOVERNOR SEAN PARNELL

Department of Natural Resources

DIVISION of Oil & Gas
Anchorage Office

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January 21, 2014

Mr. Wm. "Randy" Reed
CGG Land, Inc.
2450 Cinnabar Loop
Anchorage, AK 99507

RE: **MLUPNS 13-008** Geophysical Exploration Permit
Cronus 3D Seismic Survey

Dear Mr. Reed:

The Division of Oil and Gas (Division) approves the CGG Land, Inc. Cronus 3D Seismic Survey permit application, dated October 16, 2013, to conduct geophysical exploration on State of Alaska lands in the North Slope Borough. The enclosed permit, MLUPNS 13-008, authorizes CGG Land, Inc. to conduct a seismic survey as per the conditions of the permit.

This permit is effective January 21, 2014 to May 31, 2014 or until tundra closes.

Scope of Review

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 or of this chapter, and is revocable at will if the department determines that the revocation is in the state's interest. Each permit issued is subject to any stipulations the department 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 has the right at any time to amend or modify any provisions of this permit, or revoke this permit.

Project Location

The proposed 3D program is located on state lands within the North Slope Borough. CGG Land, Inc. plans to acquire approximately 270 square miles of data within the following locations: Townships 7-9N, Ranges 2-6E, Umiat Meridian.

Project Description

CGG Land, Inc. plans to acquire a 3D seismic program on the North Slope this winter during the requested period of January 1, 2014 to May 31, 2014. This proposed onshore program will be named Cronus 3D. The program area is defined by the blue boundary box displayed on the enclosed map south of Deadhorse. CGG Land, Inc. will be mobilizing their equipment and camp

from their Deadhorse facility along existing roadways where possible before mobilizing onto the tundra for cross country travel in order to enter the program area. Seismic operations will be conducted utilizing 12 tracked vibrators supported by tracked cable trucks and Tucker SnoCats.

Receiver (i.e., geophone) lines will be spaced at pre-determined intervals with a group of 3 geophones spaced incrementally along the line to receive a response from the subsurface. Twenty to twenty six receiver lines may be placed on the ground at any one time. Vibrator weight (~82,000 lbs.) is displaced by rubber-tracks with an equivalent footprint of 15 lbs. per square inch of pressure. Vibrator lines (source lines) will run east to west within the program area. Source lines will be spaced approximately 550 ft. apart; and the vibroseis points will be acquired every 50 ft. along the line. The source is a HPVA vibroseis with a frequency of approximately 4 to 100 Hz; the anticipated duration is 8 to 12 seconds for each sweep. The duration and decibel level of the source varies depending on factors such as terrain and weather conditions.

Agency Review

The Division provided notice to other regulatory agencies on November 7, 2013, with the opportunity to comment until November 15, 2013. The Division received no agency comments. DMLW NRO was consulted in the attached Geophysical Permit Conditions and CGG Land, Inc. will send both DMLW NRO and DOG the completion report which will include all surface damages and corrective actions.

Public Review

The Division posted a courtesy public notice on November 21, 2013 and provided the public with an opportunity to comment by 4:30 pm, December 23, 2013. The notice was posted on the State of Alaska online public notice website and the Division's website; and published in the Anchorage Daily News and the Arctic Sounder on November 21, 2013. The notice was faxed to post offices in Barrow, Nuiqsut, and Prudhoe Bay/Deadhorse for posting. The notice was also mailed to City of Barrow, City of Nuiqsut, Department of Transportation and Public Facilities (DOTPF), Kuukpik Corporation and Alyeska Pipeline Service Company. The Division received no public comments.

Performance Guarantee

The permittee has adopted into their application individual landowner outreach and is liable for any and all damages. The permittee has provided the Division with a performance guarantee under 11 AAC 96.060 in the amount of \$100,000. If the permittee does not make an agreement with the surface owner for reasonable access to explore the estate reserved under AS 38.05.125, an opportunity to be heard by the Division and request for a damages bond shall be provided by AS 38.05.130.

Application Approved

Should any unforeseen issues arise, the Division has authority to revoke and amend this permit. As detailed in this authorization, the Division shall be notified if, during the conduct of operations, a surface use conflict occurs. All operations 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 as set out in 11 AAC 96.040 at any time during the activity approved under this authorization 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 and attached provisions for this non-permanent activity as conditioned is in the state's interest. Provisions in this authorization were 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 Joe Balash, 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. This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st day after issuance. 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

Attachments:

Location Map
Geophysical Permit Conditions

E-Distribution:

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