



US Army Corps  
of Engineers  
Alaska District

# Public Notice of Application for Permit

Regulatory Division (1145)  
CEPOA-RD  
805 Frontage Road, Suite 200C  
Kenai, Alaska 99611-7755

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|----------------------------|---------------------------|
| <b>PUBLIC NOTICE DATE:</b> | <b>September 30, 2014</b> |
| <b>EXPIRATION DATE:</b>    | <b>October 15, 2014</b>   |
| <b>REFERENCE NUMBER:</b>   | <b>POA-1966-51-M1</b>     |
| <b>WATERWAY:</b>           | <b>Kustatan River</b>     |

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Interested parties are hereby notified that a Department of the Army permit application has been received for work in waters of the United States as described below and shown on the enclosed project drawings.

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision. Please contact Katherine A. McCafferty at (907) 283-3562, by fax at (907) 283-3981, or by email at Katherine.A.McCafferty2@usace.army.mil if further information is desired concerning this notice.

APPLICANT: Cook Inlet Pipe Line Company (CIPL), Pete LaPella, 3800 Centerpoint Drive, Suite 1400, Anchorage, Alaska 99503; Phone (907)777-8331; Fax (907)777-8530

AGENT: HDR, Inc., Amy Ostman, 2525 C Street, Suite 305, Anchorage, AK 99503; (907) 644-2197

LOCATION: The project site is located within Section 3, T. 8 N., R. 15 W., Seward Meridian; USGS Quad Map Kenai D-6; Latitude 60.80583° N., Longitude 151.90481° W.; 3 miles west of the Trading Bay Production Facility, accessible via public access road ADL 40360; Kenai Peninsula Borough parcel numbers 221-030-01, 211-250-06, 211-250-05, and 211-250-41; 27 miles northwest of Kenai, Alaska.

SPECIAL AREA DESIGNATION: The pipeline replacement section and proposed temporary gravel pad site would be located within the Redoubt Bay Critical Habitat Area, which is managed by the Alaska Department of Fish and Game (ADF&G). The pipe laydown area would be partially located within the Trading Bay State Game Refuge, which is also managed by the ADF&G.

PURPOSE: CIPL's stated purpose is to replace a section of a buried 20-inch crude pipeline using horizontal directional drilling (HDD) methods. Anomalies were identified in this section of pipeline during routine pipeline integrity assessment. Previous attempts to repair this section of pipeline using excavation repair, and reburial methods were unsuccessful due to the difficulty of accessing the area, which is located in wetlands, with necessary equipment.

The project will help prevent potential leaks of crude oil from anomalies in the pipeline into the surrounding environment by replacing the identified section.

Additionally, the project is necessary to support continued operation of the 42-mile, 20-inch crude oil pipeline. The pipeline transports oil from the oil fields on the west side of Cook Inlet via the Trading Bay Production Facility and the Granite Point Facility to the Drift River Terminal Facility for export to market.

## PROPOSED WORK:

CIPL, owned by Harvest Alaska, LLC (Harvest) proposes discharge up to 8,000 cubic yards (cy) of clean gravel into 1.2 acres of jurisdictional wetlands for the purpose of constructing a 1.2 acre temporary gravel pad which would support a work area for the HDD rig and all associated equipment.

The gravel pad would be constructed of geotextile material and gravel, on top of the existing vegetation. Construction of the pad is scheduled to begin in December 2014. Reclamation of the gravel pad site is scheduled for March 2015. The gravel and geotextile material would be removed upon completion of the project. The gravel would be returned to the gravel extraction site. The site is not expected to return to pre-construction elevations. The amount of soil compression that would result from the fill is unknown at this time; the reclaimed area may return to a wetland habitat with a higher portion of flood tolerant vegetation, or may convert to a more open water habitat.

The new 20-inch pipeline would be installed via HDD parallel to the existing pipeline and into the existing pipeline right-of-way (ROW). The horizontal directional drilling would begin at the south end of the pipeline replacement section. The existing pipeline would be abandoned in place. Two HDD bore pits would be used to install the pipeline.

Tie-in of the new pipeline section with the existing pipeline would be accomplished using 100-inch radius pipeline bends. Access to the tie-in locations would require trenches measuring up to 20 feet wide by 20 feet long and would be 6 feet to 8 feet deep. These trenches would be located around the HDD bore holes, within the footprint of the temporary pad. Material excavated from the tie-in trenches would be temporarily placed on uplands during tie-in activities, and returned to the trench upon completion of the tie-in.

All work would be performed in accordance with the enclosed plan (sheets 1, 2, 4, 5, and 7), dated September 24, 2014, and (sheets 3 and 6), dated September 26, 2014.

## ADDITIONAL INFORMATION:

Additional project components that do not require a DA authorization include a 6,000-foot pipe laydown area extending north of the pipeline replacement section, within the existing pipeline Right-of-Way ADL 33333; 8,000 cy of pit run gravel (to construct the temporary gravel pad) would be extracted from an existing material site, located in uplands on land owned by Hilcorp, Alaska, LLC (a subsidiary of Harvest); and the construction of a 3.5 acre equipment staging area in uplands on Hilcorp-owned land. All work areas would be accessed via an existing public access road (ADL 40360) and existing gravel spur road from ADL 40360 to the pipeline.

CIPL operates a U.S. Department of Transportation-regulated 20-inch crude oil onshore pipeline between the Granite Point Tank Facility and the CIPL Drift River Terminal Facility, located within the Kenai Peninsula Borough, on the west side of Cook Inlet. Department of the Army authorization of the 42-mile pipeline was issued on September 2, 1966 under file number POA-1966-51. Discharges into waters of the U.S. resulting from maintenance activities have been authorized on eight different occasions, by Nationwide Permit, for portions of the pipeline.

The integrity of the pipeline was assessed in 2012 using smart pig technology. The pigging survey identified pipe wall anomalies at a number of locations along the pipeline.

A number of the anomalies were repaired in 2013 and 2014 per USDOT regulation 49 Code of Federal Regulation (CFR) Part 195. CIPL has chosen to replace, in lieu of repair, a 6,000-foot section of the existing pipeline.

APPLICANT PROPOSED MITIGATION: The applicant proposes the following mitigation measures to avoid, minimize, and compensate for impacts to waters of the United States from activities involving discharges of dredged or fill material.

a. Avoidance:

Because of the location of the existing pipeline that is to be replaced, avoiding all fill discharges into wetlands is not practicable. Avoidance measures proposed are:

- Site selection and design: Project components of the CIPL project have been designed to avoid impacts to wetlands wherever practicable. Wetlands and waters of the U.S. have been mapped at all project component sites and would be avoided at the sites of components other than the temporary gravel pad and some sections of the pipe laydown area. Impacts to wetlands are also avoided by selection of the south end of the pipeline replacement section as the location for HDD activities. Drilling from the north end of the pipeline replacement section would necessitate location of the pipe laydown area entirely within wetlands.
- Use of existing infrastructure: Fill material for the temporary gravel pad would be obtained from a previously-disturbed site, thereby avoiding disturbance to wetlands from the opening of a new gravel source site.
- Placement of excavated material on uplands: Material excavated from the tie-in trenches would be temporarily placed on uplands during tie-in activities, and returned to the trench upon completion.

b. Minimization:

Practicable minimization measures that have been incorporated into the project location and design would include:

- Temporary gravel pad: The proposed gravel pad would be temporary in nature and would be constructed on top of geotextile material. The pad and material would be removed from the site upon completion of HDD activities.
- Horizontal directional drilling: Impacts to wetlands during installation of the new replacement pipeline would be minimized by the use of HDD installation methods rather than the excavation-and-burial method. HDD entry and exit work spaces have been located greater than 100 feet from any waterbodies and proposed drill depths are a minimum of 35 feet below ground surface.
- Winter activities: HDD and construction activities would occur during winter months when the soils are more likely to remain frozen and therefore impact would be minimized.
- Equipment operation: Soil disturbance would be minimized by the use of a temporary gravel pad for staging HDD drill equipment and tie-in location excavation equipment, rather than operating equipment directly on the wetlands or construction of a permanent gravel pad.
- Pad design: The size of the temporary gravel pad was minimized by optimizing the design and equipment layout. The current dimensions are the minimum size necessary to provide safe operations and to meet required activity needs.
- Site rehabilitation: A Site Rehabilitation Plan for the temporary gravel pad site and southern tie-in excavation area would be prepared prior to the commencement of pad construction. The plan would address the need to remove the temporary fill in its entirety.

- Cribbing: The new pipe would be set on cribbing within the pipe laydown area and not directly on the ground surface.

c. Compensatory Mitigation:

C IPL does not propose any compensatory mitigation because the project would not result in a conversion of wetlands to uplands. The temporary gravel pad would be removed upon completion of the project.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

CULTURAL RESOURCES: The latest published version of the Alaska Heritage Resources Survey (AHRs) has been consulted for the presence or absence of historic properties, including those listed in or eligible for inclusion in the National Register of Historic Places. There are no listed or eligible properties in the vicinity of the worksite. Consultation of the AHRs constitutes the extent of cultural resource investigations by the District Commander at this time, and he is otherwise unaware of the presence of such resources. The agent has stated that no new cultural resources were identified in a cultural resource survey, which was conducted at the project site on September 3, 2014. This application is being coordinated with the State Historic Preservation Office (SHPO). Any comments SHPO may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work.

ENDANGERED SPECIES: No threatened or endangered species are known to use the project area. We have determined the described activity would have no effect on any listed or proposed threatened or endangered species, and would have no effect on any designated or proposed critical habitat, under the Endangered Species Act of 1973 (87 Stat. 844). Therefore, no consultation with the U.S. Fish and Wildlife Service or the National Marine Fisheries Service is required. However, any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH).

No EFH species are known to use the project area. No streams or lakes that contain EFH are present at the project site; there are no water bodies that support salmonids in the project components area. We have determined the described activity would not adversely affect EFH in the project area.

TRIBAL CONSULTATION: The Alaska District fully supports tribal self-governance and government-to-government relations between Federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof.

Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authority:

Discharge dredged or fill material into waters of the United States – Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

District Commander  
U.S. Army, Corps of Engineers

Enclosures

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION  
DIVISION OF WATER  
401 Certification Program  
Non-Point Source Water Pollution Control Program

DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
WQM/401 CERTIFICATION  
555 CORDOVA STREET  
ANCHORAGE, ALASKA 99501-2617  
PHONE: (907) 269-7564/FAX: (907) 334-2415

## NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. POA-1966-51-M1, Kustatan River, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.