



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

KENAI FIELD OFFICE
Regulatory Division (1145)
CEPOA-RD
44669 Sterling Highway, Suite B
Soldotna, Alaska 99669-7915

PUBLIC NOTICE DATE:	June 12, 2015
EXPIRATION DATE:	July 13, 2015
REFERENCE NUMBER:	POA-2015-255
WATERWAY:	Happy Creek

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 Andy Mitzel at (907) 753-2689, by fax at (907) 420-0813, or by email at andy.mitzel@usace.army.mil if further information is desired concerning this notice.

APPLICANT: Hilcorp Alaska, LLC, attn: Gretchen Stoddard, 3800 Centerpoint Drive, Suite 100, Anchorage, AK, 99503.

AGENT: HDR, attn: Dave Casey, 2525 C Street, Suite 305, Anchorage, AK, 99503.

LOCATION: The project site is located within Section 31, T. 2 S., R. 13 W., Sections 33 & 36, T. 2 S., R. 14 W., Section 6, T. 3 S., R. 13 W., and Sections 1 & 4, T. 3 S., R. 14 W., Seward Meridian; USGS Quad Map Seldovia D-5; Latitude 59.9409° N., Longitude 151.5674° W., near Happy Valley, Alaska.

PURPOSE: The applicant's stated purpose is to: "Safely explore for gas reserves within the Deep Creek Unit with the ultimate goal of serving the public by helping to meet Alaska's energy market demands by producing natural gas in Cook Inlet."

PROPOSED WORK: The applicant is proposing to permanently discharge 3,100 cubic yards (cy) of clean gravel and culvert bedding material as well as temporarily discharge 8 cy of sand bags into 0.92 acres of waters of the United States (WOUS), including wetlands, to construct 1,395 linear feet (lf) of new gravel road, widen a 175 lf length of Tim Avenue and install five culverts for the purpose of accessing an oil and gas exploration location.

The proposed culverts include replacing the two culverts in Happy Creek with a 59.5' long arched culvert (station 58+75), installing three 18" diameter by 30' long culverts in wetlands (stations 253+40, 259+25 and 265+00), and installing a 24" diameter by 45' long culvert in an unnamed stream (station 274+45).

During culvert replacement work at Happy Creek a temporary diversion dike made up of five cy of material contained in sandbags with an impermeable liner would be discharged below the ordinary high water mark of the creek to divert water around the construction site. The temporary diversion would be removed and the natural flow restored once the new culvert is installed. If flow is present during culvert installation at the unnamed stream a similar but smaller temporary diversion dike would be used consisting of three cy of sandbags.

The gravel access road would be 18 feet (ft.) wide at the crown, resulting in a minimum of 28 ft. wide at the base, and between 2 and 3 feet thick with 2:1 side slopes.

All work would be performed in accordance with the enclosed plan (sheets 1-11), dated May 21, 2015.

ADDITIONAL INFORMATION: The 2.29 mile gravel access road would extend from an existing gravel logging road at the east end of Tim Avenue in the Deep Creek Unit. The drill pad will support two natural gas exploration wells to allow for drilling and potential increased gas production within the Deep Creek Unit. If commercially viable gas is found, additional exploration wells may be drilled based on the viability of the first two wells, and Hilcorp would begin developing plans to construct a gas pipeline to tie into existing facilities for processing and shipment to market. The location of the project is dependent on the expected location of petroleum reserves, and the applicant has stated that they have made efforts to reroute the access road and locate the project in an area that avoids impacts to wetlands to the maximum extent practicable and minimizes impacts to wetlands where they are unavoidable.

- Roadbed widening on Tim Avenue in the vicinity of Happy Creek is necessary to support the new culvert and to maintain road stability. Material from the existing road would be used in the roadbed widening area where possible.

The following proposed activities do not require a DA permit.

- Construction of a 2.75 acre gravel pad and the remaining 2.02 miles of access road are located entirely in uplands.
- The culvert location for the unnamed stream would be excavated to prepare the site prior to replacement of construction material. Excavated material would be disposed of in uplands.
- The material for the project would come from existing material sources.

APPLICANT PROPOSED MITIGATION: The applicant has stated the following avoidance, minimization, and compensatory mitigation measures related to the proposed impacts. The pad location, access road alignment, and culverts have been sited to avoid and minimize impacts to wetlands to the extent practicable. 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:

- The pad is sited entirely in uplands, therefore avoiding impacts to WOUS.

b. Minimization: Practicable minimization measures that have been incorporated into the project location and design include:

- The access road was designed so that the route avoids wetlands to the maximum extent practicable minimizing the total loss of WOUS. The proposed route does cross wetlands at one location, but this crossing cannot be avoided and is needed to meet the overall project purpose.
- During road widening and culvert replacement activities at Tim Avenue, silt fencing would be placed at the toe of the new slope and along Happy Creek at both ends of the culvert to prevent potential future erosion.
- In the locations where Tim Avenue would be widened, the side slopes would be covered with 4" of topsoil, erosion control matting, and hydroseeded.
- The Tim Avenue culvert replacement would improve the flow regime of Happy Creek, and improve fish passage for Dolly Varden and other resident fishes. The current culverts constrict flow resulting higher flow velocities which have caused a deep scour pool below the outlet as well as erosion of the downstream bank. The stream simulated culvert proposed would allow for a more natural flow regime for Happy Creek and improve resident fish passage along with other various functions and characteristics above and below the creek crossing.
- Three cross-drainage culverts would be placed in the gravel access road in wetlands areas to maintain surface water drainage patterns.

c. Compensatory Mitigation: Incorporating appropriate and practical avoidance and minimization measures, the project would result in approximately 0.92 acres of unavoidable permanent impacts to WOUS. Hilcorp believes that compensatory mitigation is not appropriate for this project because the activity would not result in more than minimal impacts on the aquatic environment. Some of the reasons for this include:

- The abundant amount of wetlands within the watershed, and in particular, the section of the watershed where the discharge would occur is mostly undeveloped and rural in nature with little development in WOUS, including wetlands.
- The use of culverts within the section of roadbed located in wetlands allows for adequate maintenance of cross drainage; and the road would also not result appreciable harm to fish and wildlife populations due the lack of any species of concern and the overall area of wetland fill.

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. 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.

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:

(X) 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-2015-255, Happy Creek**, 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.