



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

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

PUBLIC NOTICE DATE:	April 22, 2016
EXPIRATION DATE:	May 6, 2016
REFERENCE NUMBER:	POA-2006-312-M4
WATERWAY:	COOK INLET

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) 753-2692, by fax at (907) 420-0813, or by email at Katherine.a.mccafferty2@usace.army.mil if further information is desired concerning this notice.

APPLICANT: Furie Operating Alaska, LLC, 1029 West 3rd Avenue, Suite 500, Anchorage, AK 99501, ATTN: Bruce Webb

AGENT: Jacobs Engineering Group, Inc, 4300 B Street, Suite 600, Anchorage, AK 99503, ATTN: Kristina Neptun

LOCATION: The exploratory drilling project site is located in the Kitchen Lights Unit (KLU), Township 9 North, Range 11 West, Sections 2, 11, 17, and 18; Township 9 North, Range 12 West, Section 34; Township 10 North, Range 10 West, Sections 7 and 9; Township 10 North, Range 11 West, Sections 24 and 26; and Township 11 North, Range 10 West, Section 25; Seward Meridian; USGS Quad Maps Tyonek A-3, and Kenai D-3 and D-4; 45 miles southwest of Anchorage, Alaska. The winter storage would occur at the Deepwater Dock at the Port of Homer, the harbor at Port Graham, the OSK dock in Nikiski, Alaska, or the ASRC Energy Services Rig Tenders Dock in Nikiski, Alaska.

PURPOSE: The applicant's stated purpose is to continue exploration of the Kitchen Lights Unit to locate energy resources and increase energy security for communities in Southcentral Alaska.

PROPOSED WORK: The applicant proposes to modify the original authorization as follows:

1. Conduct exploratory drilling at nine new well locations utilizing the Randolph Yost jack-up rig (Yost) through November 2021;
2. Extend the time to complete the previously authorized drilling at KLU well #4 until November 2021;
3. Utilize the Yost instead of the Spartan 151 jack-up rig for exploratory drilling activities authorized in POA-2006-312, POA-2006-312-M1, POA-2006-312-M2, and POA-2006-312-M3;
4. Storage of the Yost at one of the following locations during the winter: the Deepwater Dock at the Port of Homer, Alaska; the harbor at Port Graham, Alaska; the OSK dock in Nikiski, Alaska; or the ASRC Energy Services Rig Tenders Dock in Nikiski, Alaska. During winter storage, the legs of the Yost would be deployed.

The proposed new well locations and the location of KLU #4 are listed in the table below. Because acquisition of new seismic data, market conditions, the results of seafloor mapping, and other factors could result in changes to the well locations, the applicant requests authorization to place the Yost within one quarter mile of the latitude and longitude listed in the table below.

Proposed Drilling Location Descriptions

Name	Section, Township, Range	Latitude (DMS) (NAD 27)	Longitude (DMS) (NAD 27)
KLU #4 (re-entry)	Sec. 9, T. 10N, R. 10W	60° 58' 20.8834" N	151° 4' 25.884" W
KLU #6	Sec. 17, T. 09N, R. 11W	60° 52' 14.1706" N	151° 15' 55.5277" W
KLU #7	Sec. 34, T. 09N, R. 12W	60° 49' 31.9554" N	151° 22' 22.9999" W
KLU #8	Sec. 18, T. 09N, R. 11W	60° 52' 1.9998" N	151° 18' 19.9998" W
KLU #9	Sec. 25, T. 11N, R. 10W	61° 0' 51.0025" N	150° 58' 39.9492" W
KLU #10	Sec. 2, T. 09N, R. 11W	60° 54' 15.4766" N	151° 10' 51.0913" W
KLU #11	Sec. 11, T. 09N, R. 11W	60° 53' 14.4422" N	151° 9' 53.2132" W
KLU #12	Sec. 7, T. 10N, R. 10W	60° 58' 3.7467" N	151° 6' 20.2746" W
KLU Deep Jurassic Prospect	Sec. 26, T. 10N, R. 11W	60° 55' 24.4121" N	151° 10' 5.9497" W
KLU Osprey	Sec. 24, T. 10N, R. 11W	60° 56' 12.1896" N	151° 9' 22.7406" W

Note: Section, township, and range are relative to the Seward Meridian in Alaska.

The Yost is a self-elevating mobile drilling unit with three 410 foot long legs, a 243 foot x 200 foot main deck, an 80 foot long cantilever drilling derrick, a helicopter deck, and four 100 foot boom cranes.

Exploratory drilling is scheduled to occur in the ice-free season between April and November.

All work would be performed in accordance with the enclosed plan (sheets 1-2, and 6-9), dated March 21, 2016 and (sheets 3-5) dated March 28, 2016.

ADDITIONAL INFORMATION:

Other authorizations required for the proposed work include the State of Alaska General Permit AKG315100 – Mobile Oil and Gas Exploration Facilities in State Waters in Cook Inlet and Alaska Department of Natural Resources approval of the Plan of Operations.

Previous Department of the Army authorizations for exploratory drilling include individual permit number POA-2006-312, which authorized the drilling of four exploratory wells from a jack-up rig drilling platform, issued in November 2006; POA-2006-312-M1 which authorized the exploratory drilling of a fifth well and extended the authorization to August 31, 2016, issued in August 2012; POA-2006-312-M2 authorized the relocation of KLU wells 3 and 4, issued in March 2013; and POA-2006-312-M3 authorized the relocation of KLU well 5, issued in April 2014.

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 and Minimization: No discharge of dredged or fill material would occur as result of the proposed project.

b. Compensatory Mitigation: No compensatory mitigation is proposed since no discharge of dredged or fill material is proposed.

CULTURAL RESOURCES: We have defined our scope of analysis under Appendix C of 33 CFR 325 (permit area) to be the footprint of the Yost at the nine new well locations and the four winter storage locations.

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 proposed well locations. The applicant has stated that the Bureau of Ocean Energy Management (BOEM) Marine Cadastre mapping program was reviewed for wrecks and obstructions in the vicinity of the proposed well locations. There are two potential shipwrecks in the mid-Cook Inlet, within the KLU. There are unevaluated properties in the vicinity of the winter storage sites. At the ASRC dock, site KEN-00391 lies onshore to the east of the proposed storage location. At the OSK dock, site KEN-00517 lies onshore to the southeast of the proposed storage location. At the Homer Deepwater Dock, sites SEL-0019, SEL-00116, SEL-00077, and SEL-00379 lie onshore south of the proposed storage location. Site SEL-00277 is located in the Homer Harbor. At the Port Graham dock, site SEL-00027 is located onshore west of the proposed storage location.

Consultation of the AHRs and BOEM mapping 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. Prior to the arrival of the Yost on a drilling site, a high-resolution geophysical survey (e.g. side scan sonar) of each potential drilling location will be conducted to ensure the rig is not placed on underwater obstructions, shipwrecks, cables, or other structures.

Because the sites have been determined to be outside of the permit area and the applicant would avoid underwater structures, the proposed project would have no effect to historic properties. 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: The proposed drilling area and the winter storage locations are within the known or historic range of the Steller sea lion (*Eumetopias jubatus*), Cook Inlet beluga whale (*Delphinapterus leucas*), and the Steller's eider (*Polysticta stelleri*). The winter storage locations at Homer, Alaska and Port Graham, Alaska are within the range of the Humpback whale (*Megaptera novaeangliae*). The Port Graham location is within the range of the Short-tailed albatross (*Phoebastria albatrus*). The range of the Northern sea otter (*Enhydra lutris kenyoni*) is located 20 miles south of the proposed drilling locations and outside of the winter storage locations.

We have determined the described activity may affect the endangered Steller sea lion (*Eumetopias jubatus*) and the Cook Inlet beluga whale (*Delphinapterus leucas*), and its designated critical habitat. The proposed project would have no effect on the threatened Steller's eider (*Polysticta stelleri*), the threatened Northern sea otter (*Enhydra lutris kenyoni*), the endangered Short-tailed albatross (*Phoebastria albatrus*), and the endangered Humpback whale (*Megaptera novaeangliae*). We will initiate the appropriate consultation procedures under section 7 of the Endangered Species Act with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service (NMFS). 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).

The drilling area and the Nikiski winter storage areas are within the known range of the Pink Salmon (*Oncorhynchus gorbuscha*), the Chum Salmon (*Oncorhynchus keta*), the Sockeye Salmon (*Oncorhynchus nerka*), the Chinook Salmon (*Oncorhynchus tshawytscha*), and the Coho Salmon (*Oncorhynchus kisutch*). In addition to the five salmon species, the Homer, Alaska and the Port Graham, Alaska winter storage locations are within the known range of the Sculpins (*Cottidae*), Skates (*Rajidae*), Sharks, Octopus, Dover Sole (*Microstomus pacificus*), Rock Sole (*Lepidopsetta bilineatus*), Yellowfin Sole (*Limanda aspera*), Rex Sole (*Glyptocephalus zachirus*), Flathead Sole (*Hippoglossoides elassodon*), Arrowtooth Flounder (*Atheresthes stomias*), and Pacific Cod (*Gadus macrocephalus*).

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) Perform work in or affecting navigable waters of the United States – Section 10 Rivers and Harbors Act 1899 (33 U.S.C. 403).

District Commander
U.S. Army, Corps of Engineers

Enclosures