



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

Regulatory Division (1145)
CEPOA-RD
Post Office Box 6898
JBER, Alaska 99506-0898

PUBLIC NOTICE DATE: May 25, 2016
EXPIRATION DATE: June 27, 2016
REFERENCE NUMBER: POA-1987-733-M3
WATERWAY: Beaufort Sea

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 Mary Romero at (907) 753-2773, toll free from within Alaska at (800) 478-2712, by fax at (907) 753-5567, or by email at mary.r.romero@usace.army.mil if further information is desired concerning this notice.

APPLICANT: Ms. Deborah Heebner, Hilcorp Alaska, LLC, 3800 Centerpoint Drive, Suite 1400 Anchorage, Alaska 99503, (907)670-3382, dheebner@hilcorp.com

LOCATION: The project site is located in Milne Point Unit, within Sections 7 & 8, T. 13 N., R. 10 E., Umiat Meridian; USGS Quad Map Beechey Point B-5; Latitude 70.4967° N., Longitude 149.6353° W.; approximately 35 miles northwest of Prudhoe Bay, Alaska.

PURPOSE: The applicant's stated purpose is to expand L - Pad for access around five new proposed wells.

PROPOSED WORK: The placement of 17,000 cubic yards (cy) of fill material into 1.66 acres of jurisdictional Palustrine emergent wetlands for the expansion of L - Pad. Additional pad space is required for rig associated infrastructure while the rig is working on L - Pad. In order to minimize risks from simultaneous operations on the pad, additional space is needed to allow work on existing wells as well as the proposed new wells that would be placed on the existing pad. It is necessary to provide space for emergency vehicles, drilling associated equipment and other well servicing equipment to move around the drill rig while the rig is positioned on

the well. All work would be performed in accordance with the enclosed plan (sheets 1 of 4), dated May 2016.

ADDITIONAL INFORMATION: This pad has been modified numerous times since 1988. The original permit was issued to Conoco, Incorporated on March 29, 1988. The permit was subsequently modified on August 3, 1988, May 3, 1990, May 6, 1991, May 20, 1991, November 27, 1991, and July 8, 1993, to place gravel fill into approximately 117 acres of wetland to construct six new well pads (G, H, I, J, K, and P) with associated facilities; expand an existing well pad (L); construct approximately nine miles of access road in the Milne Point Unit (MPU) on the North Slope of Alaska; expand a previously authorized pad to accommodate two units to heat oil produced from G, H, I, and J pads; and construct a beach to be used as a pipeline corridor.

The permit and modifications were transferred to BP Exploration (Alaska) Inc. on April 19, 1994. On September 23, 1994, the permit was modified to include the following: the placement of 43,500 cy of gravel fill material into 3.2 acres of tundra wetlands to construct a 320' x 370' (surface area) addition on the northwest side of existing MPU, L-Pad. The expansion area is level with the existing pad with 2:1 side slopes.

The last modification, on September 27, 2012, was to L-Pad for the discharge of 7,850 cy of material into 0.62 acre, for the expansion of the edges of the pad to accommodate emergency access.

The permit was transferred to Hilcorp Alaska LLC on September 4, 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: Hilcorp has reviewed options to avoid expansion of L - Pad. The new drill rigs are larger than the drill rigs used when the pad was originally constructed. When the rigs are positioned on the well heads there is not enough space for the entire drill rig between the well head and the edge of the pad. By expanding an existing well pad for drilling new development wells, the following factors were incorporated into this project:

- Avoided impacting as many lakes, ponds and streams as possible
- Avoided Anadromous water crossings to the maximum extent possible
- Would use existing materials sites and existing roads

b. Minimization: Hilcorp's decision to utilize the existing gravel pad and the back filled reserve pit at L - Pad to the maximum extent possible for the L - Pad expansion and drilling of new development wells demonstrates minimization of impacts to high quality wetland habitat within the MPU. The proposed expansion has been designed to use the absolute minimum amount of gravel discharge.

c. Compensatory Mitigation: Hilcorp has investigated options for compensation, and at this time Hilcorp does not believe compensation is required. Through avoidance and

minimization, Hilcorp has worked to limit the impacts to wetlands. Hilcorps' due diligence analysis of methods of compensation is as follows. Hilcorp continues to commit to continued improvement of fish passage routes where existing roads and pads meet streams, creeks and rivers. Hilcorp investigated options through payment to an approved wetlands mitigation bank or in-lieu fee agency. The Conservation Fund was contacted on April 29, 2016, to inquire on the availability of credits. They did confirm that they are selling credits.

Hilcorp examined permittee responsible mitigation; including creation/restoration and preservation. Wetland creation/restoration on the North Slope is impracticable because wetlands are primarily developed through permafrost action (taking hundreds of years to develop) and the growing season is only 60 days. Also, the perpetual protection instrument that would be required cannot be accomplished because of land ownership and constitutional protection restrictions.

Wetland preservation is also impracticable. Lands within the watershed are owned by the State of Alaska, United States Government, or private native corporations. There are currently no parcels of land available for purchase for preservation of the watershed. State lands on the North Slope are identified for resource development, and any purchase/preservation of those lands would appear to contradict the Alaska Constitution that states those lands are for maximum resource development. The federal lands on the North Slope are not available for private purchase. According to communication with the Arctic Slope Regional Corporation's Director of Land Management and Enforcement, there are no private Native owned lands available for purchase in the area.

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: The project area is within the known or historic range of the polar bear (*Ursus maritimus*), Steller's eider (*Polysticta stelleri*), and spectacled eider (*Somateria fischeri*).

We have determined the described activity may affect the threatened the polar bear, Steller's eider, and spectacled eider. We have initiated the appropriate consultation procedures under section 7 of the Endangered Species Act with the U.S. Fish and Wildlife Service. Any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat would 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.

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).

Project drawings and a Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

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

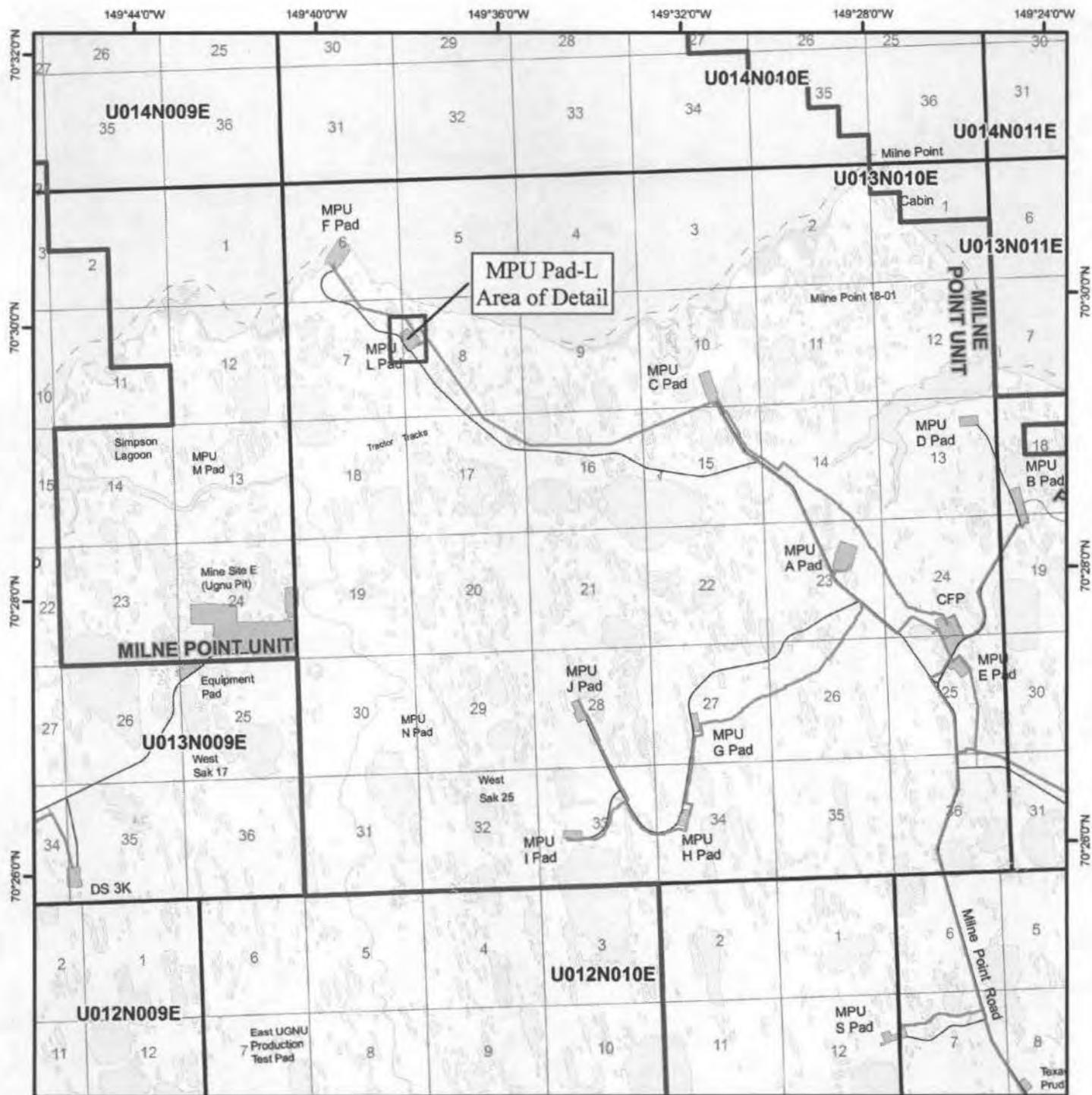
NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

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-1987-733-M33, Beaufort Sea**, 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.



Project Location:
Milne Point Unit - L Pad

Latitude (Decimal Degrees): 70.496717, NAD 1983
Longitude (Decimal Degrees): -149.63534, NAD 1983

Alaska State Plane Zone 4, NAD 1983
X = 1685008.82
Y = 6031280.49

Sec. 8, T13N, R10E, Umiat Meridian

ADL#: 025509
Adjacent Property Owner: State of Alaska

Legend

- Existing Pipeline (Above Ground)
- ▭ Oil and Gas Unit Boundary

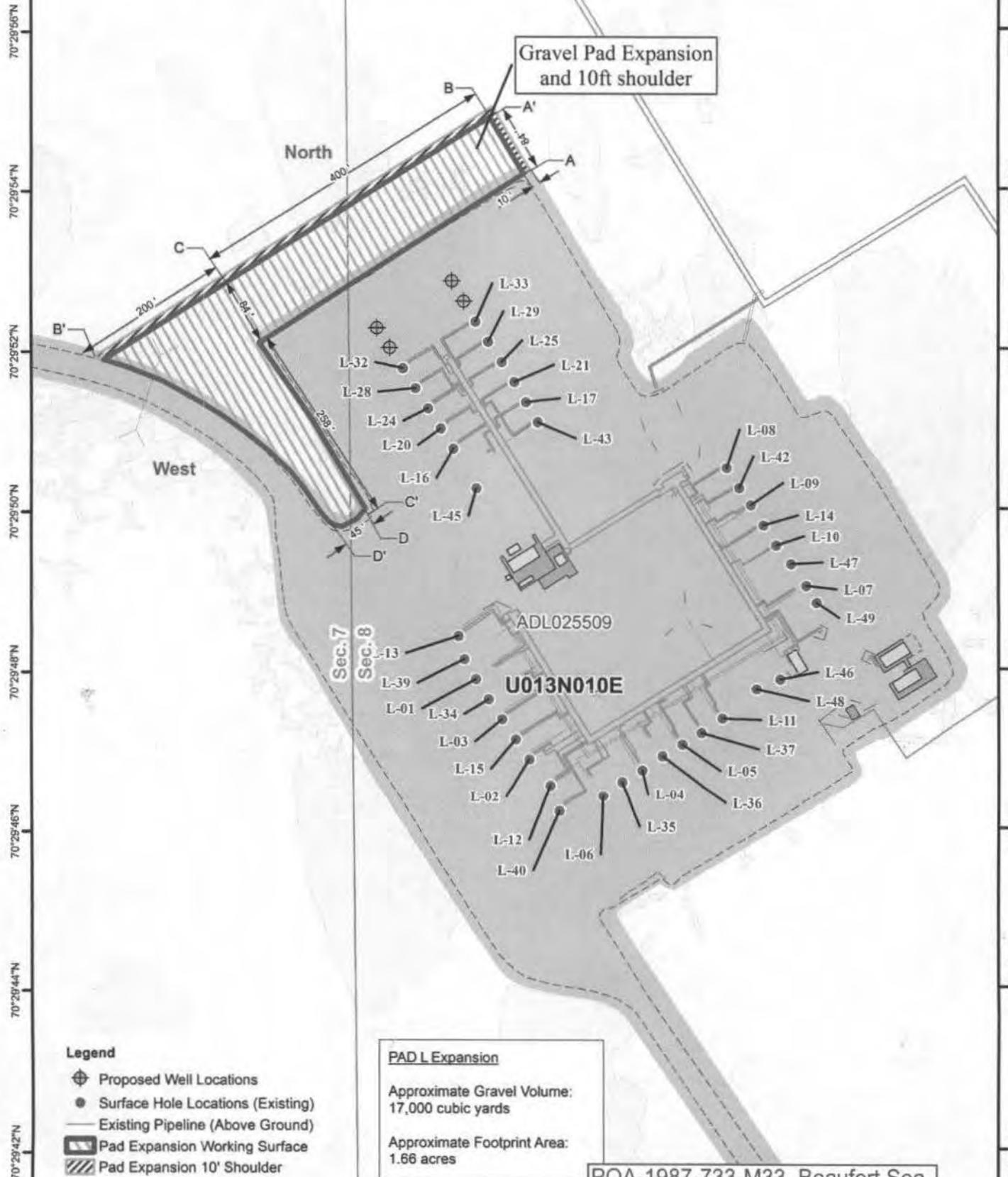
POA-1987-733-M33, Beaufort Sea
Hilcorp LLC - L Pad expansion
Drawings dated May 2016
Sheet 1 of 4



**Milne Point Unit
MPU PAD-L
Vicinity Map**



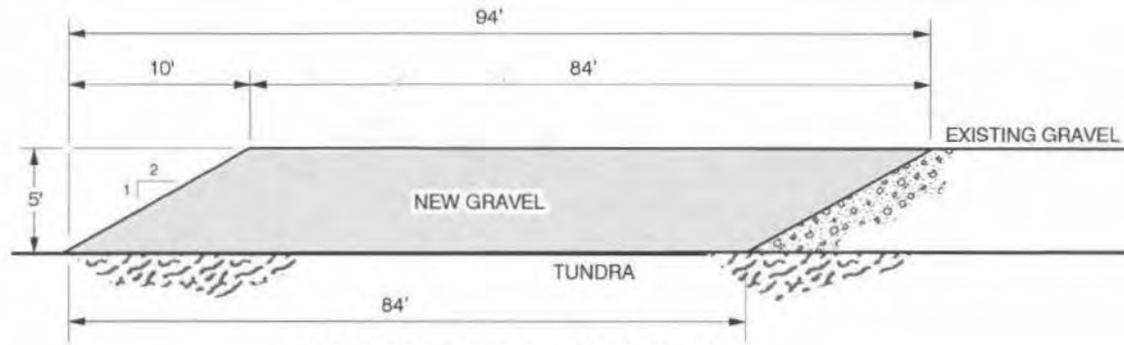
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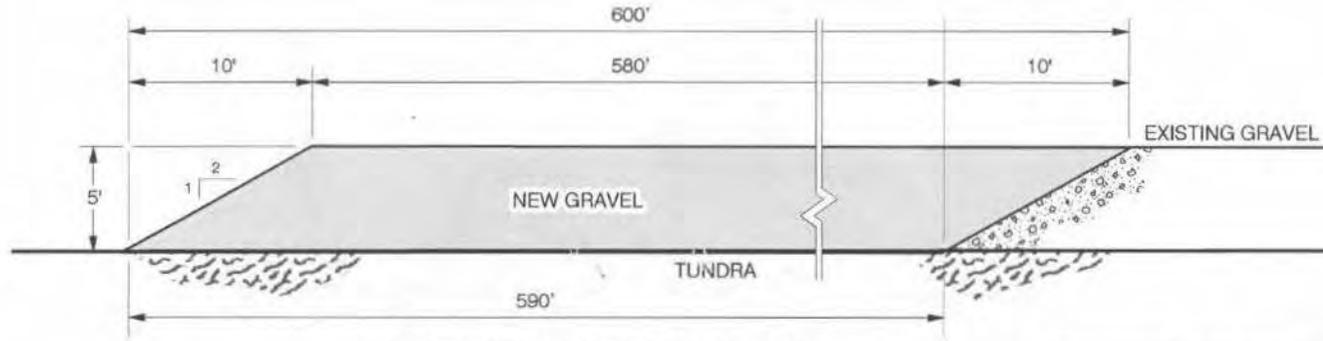
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70°29'54"N
70°29'52"N
70°29'50"N
70°29'48"N
70°29'46"N
70°29'44"N
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70°29'56"N
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70°29'48"N
70°29'46"N
70°29'44"N
70°29'42"N





GRAVEL EXPANSION A-A'
Not to Scale



GRAVEL EXPANSION B-B'
Not to Scale

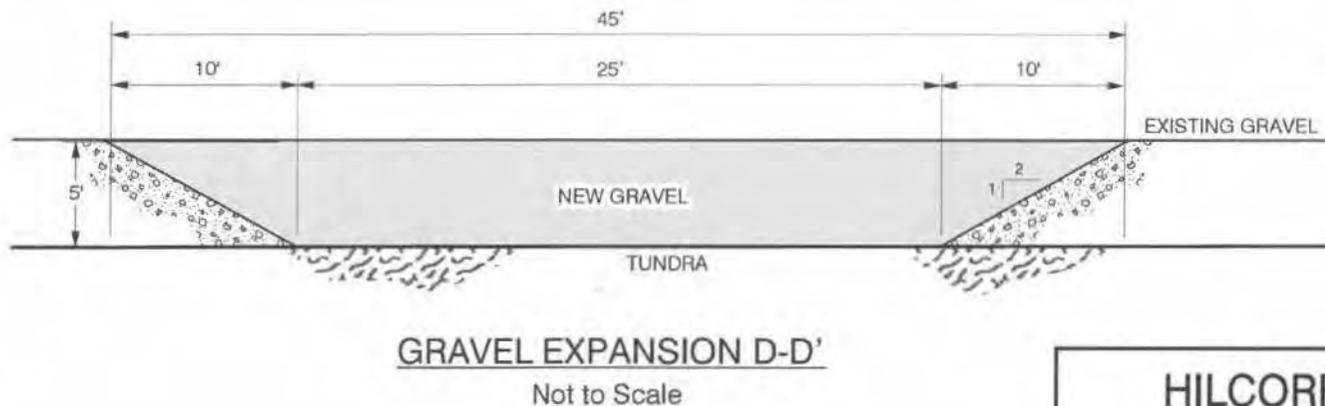
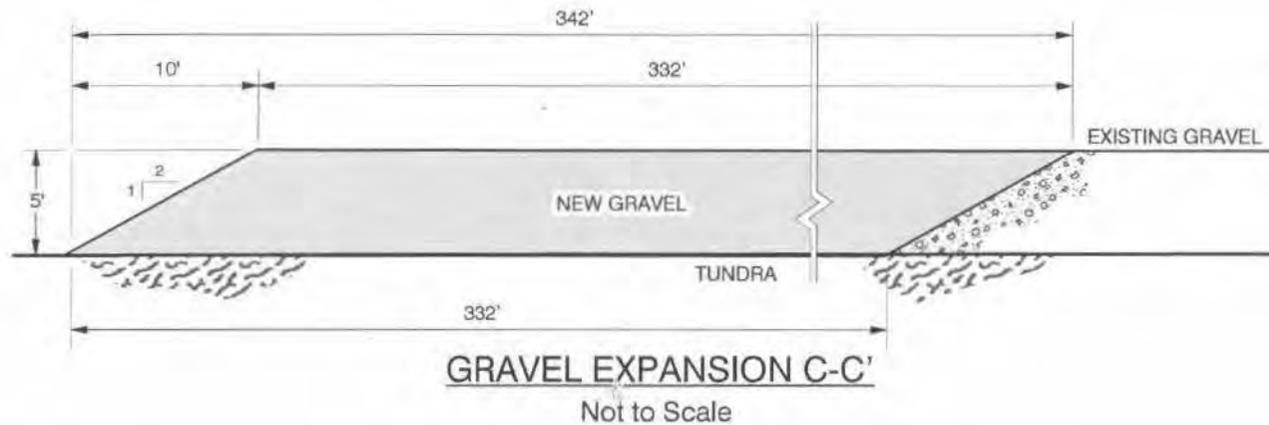
HILCORP ALASKA, LLC

**MILNE POINT UNIT
L PAD
RIG ACCESS GRAVEL EXPANSION
CROSS SECTIONS**

POA-1987-733-M33, Beaufort Sea
Hilcorp LLC - L Pad expansion
Drawings dated May 2016
Sheet 3 of 4

DATE:
May 2016

ALL DIMENSIONS ARE APPROXIMATE



ALL DIMENSIONS ARE APPROXIMATE

HILCORP ALASKA, LLC

MILNE POINT UNIT
L PAD
RIG ACCESS GRAVEL EXPANSION
CROSS-SECTIONS

DATE
May 2

POA-1987-733-M33, Beaufort Sea
Hilcorp LLC - L Pad expansion
Drawings dated May 2016
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