



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:	June 22, 2015
EXPIRATION DATE:	July 21, 2015
REFERENCE NUMBER:	POA-2015-256
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 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, 2525 C Street, Suite 305, Anchorage, AK, 99503.

LOCATION: The project site is located within Section 7, T. 1 S., R. 13 W., Seward Meridian; USGS Quad Map Kenai A-5; Latitude 60.1041° N., Longitude 151.5915° W.; at milepost 130 of the Sterling Highway, near Ninilchik, Alaska.

PURPOSE: The applicant's stated purpose is to: "Construct a road-accessible drill pad and associated pipeline to safely drill into the Ninilchik Unit and produce and then transport natural gas from the Kalotsa Pad to processing facilities at SD Pad. Sales grade gas would then be transported from SD to the Kenai-Kachemak Pipeline where they will be taken to market."

PROPOSED WORK:

The applicant is proposing to:

- Permanently discharge 22,541 cubic yards (cy) of clean gravel into 3.32 acres of waters of the United States (WOUS), including wetlands, for the construction of the Kalotsa Drill Pad and access road. The proposed drill pad would be 237' wide by 339' wide by 3' high, underlain by geogrid material with 2:1 side slopes. The proposed road would be 3700' long by 28' wide at the base by 30" high, underlain by geogrid material with 2:1 side slopes.
- Permanently discharge 228 cy of native soils into 0.23 acres of waters of the United States (WOUS), including wetlands, to fill an existing man made drainage ditch that would return hydrology to a historic stream along the stream bluff.
- Temporarily side cast 1338 cy of native soils into 0.45 acres of waters of the United States (WOUS)., including wetlands, to construct a 1.1 mile long by 4' wide by 3' deep trench for the installation of two 6" diameter pipeline from the Kalotsa Pad to the existing Susan Dionne Pad. The material would be excavated from the proposed trench, temporarily side cast adjacent to the trench and then returned to the trench once the flowline is installed.

All work would be performed in accordance with the enclosed plan (sheets 1-18), dated March 13, 2015.

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.

- Avoidance: The applicant has stated that their avoidance to impacts consists of: "Locating the pad south of the stream that exists to the north of the proposed Kalotsa Pad avoids re-routing the stream through a flow diversion structure, thus avoiding additional impacts to WOUS."
- Minimization: The applicant has stated that their minimization to impacts consists of the following:
 - Transporting the gas via pipeline from Kalotsa Pad to SD, the need for dehydration and compression equipment on Kalotsa pad is eliminated and project footprint is minimized by maintaining a smaller production pad.
 - Backfilling the drainage ditch northwest of the pad will help water flow to the west and join the natural stream along the bluff edge preventing ponding around the pad thereby minimizing the potential for gravel pad erosion.
 - Excavated material shall be temporarily piled next to each excavation. All of the excavated material shall be reused as backfill, and some additional clean fill may be necessary.
 - Vegetation shall be disturbed as little as is practical. Most project areas include road and laying fill material on road or gravel filled area will be completed where possible instead of short term placement in wetlands. Where project areas cross designated wetlands, measures to minimize ground pressure (such as wide tracked equipment, usage of rig mats etc.) will be implemented in order to reduce environmental impact as much as possible.

- **Compensatory Mitigation:** The applicant has stated: “Compensatory mitigation is not appropriate for this project because the activity will not result in more than minimal impacts on the aquatic environment given the avoidance and minimization involved with the proposed 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. 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.

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-2015-256, Cook Inlet**, 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.