



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: July 30, 2013
EXPIRATION DATE: August 30, 2013
REFERENCE NUMBER: POA-1982-370-M10
WATERWAY: Sagavanirktok River

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 Chelan Schreifels at (907) 753-5527, toll free from within Alaska at (800) 478-2712, by fax at (907) 753-5567, or by email at chelan.schreifels@us.army.mil if further information is desired concerning this notice.

APPLICANT: Mr. David Hendrick, Schlumberger Oilfield Services, 2525 Gambell Street, Suite 400, Anchorage, Alaska 99503.

LOCATION: The project site is located within Sections 8, 17, T. 10 N., R. 15 E., Umiat Meridian; USGS Quad Map Beechey Point A-3; Latitude 70.2303° N., Longitude 148.3836° W.; Tract 44C, at Schlumberger's Well Services Facility on south side of the Spine Road, the gravel is proposed to be placed at the back of existing pad, Deadhorse, Alaska.

PURPOSE: The applicant's stated purpose is to create additional space to accommodate project expansion and growth of Schlumberger's North Slope operations.

PROPOSED WORK: The applicant, Schlumberger Oilfield Service, proposes a discharge of 93,150 cubic yards (cy) of gravel fill material at Tract 44C in Deadhorse, at a depth of approximately 5 feet, with a footprint area of 13.2 acres on seasonally flooded, saturated, persistent, palustrine emergent wetlands. The proposed project would be adjacent to existing fill pads on tracts 31, 32, 33 and 44C. The proposed project would be a multi-year expansion

broken into two phases; phase one discharge would be up to 47,600 cy of new gravel with a footprint area of 6.2 acres on the northeast section of Tract 44C (adjacent to Tracts 32 and 42). The proposed phase two discharge would be up to 45,605 cy of new gravel with a footprint area of 7.1 acres in the northwest section of Tract 44C (adjacent to Tracts 31 and 45A-2).

All work would be performed in accordance with the enclosed plan (sheets 1-4), dated July 22, 2013.

ADDITIONAL INFORMATION:

Tract 44C was formerly known as tracts 43A, 43B, 44A , and 44B, this tract is a 30.9 acre lease area abutting the Sagavanirktok River and tracts 31, 32, 33A, 42, 45A-2 and 45B.

The additional pad space would be used for equipment storage, parking for support equipment and maneuvering space for the repositioning of large vehicles in order to properly service the growing oil industry operations.

Due to the proximity of this proposed project to the adjacent explosives loading/gun shop, no "inhabitable" building could be built on the requested expanded gravel pad. This expanded gravel area would be limited to storage and parking only.

The proposed project would be constructed using the following types of heavy equipment: bulldozer; D-9 Caterpillar; dump truck; packer; and roller. New gravel from material site source Put 23 would be discharged. The construction of the proposed phase one gravel pad would begin when the DA permit is issued.

Existing infrastructure:

Tracts 32 and 33: The applicant currently leases these tracts and they have been completely filled with gravel pads that occupy an approximately 20 acre footprint. The pad space on tracts 32 and 33 is completely utilized with several buildings, parking, coil tubing rig storage and other storage. The last remaining unfilled area on tracts 32 and 33 were filled in accordance with DA authorization number POA-1982-370-M9 and completed in 2012.

Tract 44C: currently has a gravel pad with a 3.2 acre footprint and road with a 0.6 acre footprint connecting to tract 32. This pad houses an explosives facility and equipment storage. State and Federal Regulations require the pad to be a minimum distance from other occupied structures. The discharges for tract 44C were authorized under DA permit modifications POA-1982-370-P (M4) through POA-1982-370-M8.

Permit History:

Department of the Army permit No. 4-820370, was issued to Dowell Schlumberger, Incorporated (formerly Dowell, Incorporated) on February 2, 1983, to discharge up to 86,500 cy of gravel on up to a 13.9 acre area of wetlands on tracts 32 and 33 to construct two irregularly shaped pads; that permit expired and the work was not completed.

M-820370, the first modification issued on August 6, 1990 authorized discharging up to 17,000

cy of gravel on to a 4.1 acre area of wet tundra on tract 32, to construct a 450'x270' pad. The purpose of the fill is to support a multi-purpose building (covered parking, office support facility, washbay) and to provide "housing" for new equipment.

N-820370; the second modification issued on August 21, 1991, authorized the discharge of up to 27,000 cy of gravel in wetlands into approximately 4.1 acres of wetlands to expand an existing industrial use pad on tracts 32 and 33. This permit expired on August 31, 1994.

O-820370, the third modification issued on August 22, 2001; authorized the discharge of clean fill material in up to 0.57 acre of wetlands on tracts 32 and 33. This permit expired on July 31, 2004.

POA-1982-370-P, the fourth modification was issued on February 21, 2006; authorized the discharge of up to 24,000 cy of clean fill material on to 2.86 acre area of wetlands on tracts 43A, 43B, 44A, and 44B; for the construction of an explosives handling facility. The facility would be constructed on a gravel pad of 280 feet by 365 feet, a footprint of 102,200 square feet, the authorization included an access road consisting of two sections of road both 25 feet wide and one 500 feet long, the other 400 feet long, for a total road footprint of 22,500 square feet. This permit expired on January 31, 2009.

POA-1982-370-Q, the fifth modification issued on August 14, 2006; authorized the discharge of up to 2,778 cy of clean gravel fill into not more than a 0.33 acre area of wetlands to expand an existing access road/pad intersection for the explosives facility (POA-1982-370-P).

POA-1982-370-R, the sixth modification issued on May 29, 2007; authorized the discharge of up to 1,020 cy of clean gravel fill in a 0.185 acre area of wetlands to expand an existing pad entrance for the explosives facility (POA-1982-370-P).

POA-1982-370-M7, the seventh modification issued on May 7, 2008; authorized the discharge of up to 2,363 cy clean fill material in up to a 0.26 acre area of wetlands for truck turning space and storage space for the explosives facility (POA-1982-370-P).

POA-1982-370-M8, the eighth modification issued on November 12, 2008; authorized the discharge of up to 2,465 cy of fill material in 0.379 acres of wetlands for parking and turning space for the explosives facility (POA-1982-370-P).

POA-1982-370-M9; the ninth modification issued on September 2, 2011; authorized the discharge of up to 44,855 cy of fill material in 5.56 acres of wetlands. This authorized on tract 32, a discharge of up to 27,840 cy of gravel fill on to 3.45 acre area of wetlands; and on tract 33 a discharge of up to 17,014 cy of gravel fill on to 2.11 acre area of wetlands.

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: Alternate Site: Schlumberger currently holds two other leases with Alaska Department of Natural Resources within the Deadhorse region. These are Tract 13 and Tract 21. Tract 13 is gravel filled inside the total usable boundary. Tract 13 is operating at full capacity with regards to vehicle and equipment storage. Tract 21 is not fully developed with gravel fill. There are approximately 2 acres unfilled on that lease tract. The potential expansion of this space would not be adequate. This property is also currently operating at full capacity. These two existing properties are not a practicable alternative for this project. The proposed Project site was selected in part due to its close proximity to various existing Schlumberger pads which operate at capacity and are in need of additional space. Due to the restrictive nature of the leaseholds in the NSB, Schlumberger does not have an alternate site capable of expansion to accommodate a project of this scope. Additionally, the Deadhorse area is considered wetlands; therefore, if we could build a pad in a different location, we would still be required to fill in wetlands. Additionally, this project is consistent with the intended industrial use of the Deadhorse area.

Alternate Design: The purpose and intent of the proposed Project is to create additional space adequate to allow the safe maneuvering of large industry service vehicles and related equipment storage. Schlumberger has determined that the proposed Project design is the most efficient and environmentally sound use of the allocated space such that it would minimize the inherent impact. During the Project planning and design phase, Schlumberger considered potential impacts to the surrounding waters. For example, one potential impact the design may have is an effect on the drainage pattern water flow from the property to the surrounding area. In Phase One, to maintain the current drainage pattern, Schlumberger's design incorporates an undisturbed 50 foot wide channel running the entire length of the gravel pad on the North-East side (adjacent to Tract 42). In Phase Two of the project, a 50 foot wide channel would be undisturbed between Tract 44C and Tract 31 which would then drain into a 20 foot wide channel running the entire length of the gravel pad on the North-West side (adjacent to Tract 45A-2 and 458) of Tract 44C. This design allows the natural drainage pattern to flow with minimal impact. Also to be noted, as per Airport Equipment Rentals, Inc. permit application (POA-2012-693 Sagavanirktok River), they would maintain an undisturbed 15 foot channel on their tract (458) adjacent to our lease tract to ensure drainage.

b. Minimization: Schlumberger seeks to fill a total of 13.2 acres of the available 30.9 acres of the Tract 44C lease. This represents approximately 43% of the total acreage Schlumberger holds under the lease. The undisturbed majority of this lease would be the section adjacent to the Sagavanirktok River, therefore not disturbing or causing erosion to the environment. The scope of the Project adequately addresses Schlumberger's growing North Slope operations, yet minimizes the overall impact to the surrounding area. The Explosives/Gun shop located on Tract 44C does prohibit the construction of an "inhabitable" building, however does not prohibit equipment and vehicle storage.

c. Compensatory Mitigation: Schlumberger understands that undertaking a project of this nature carries with it inherent environmental impact. While Schlumberger has diligently endeavored to avoid and minimize these inherent impacts, it is not possible to completely

avoid the impact of extending a gravel pad within the lease property. Therefore, Schlumberger recommends that compensatory mitigation, specifically the in-lieu fee program, be applied in this case as an appropriate and acceptable alternative in accordance with applicable regulations. The compensation, in-lieu fee program, would occur in the phases as described in the project description. Should the project be postponed either temporarily or indefinitely, this compensation for the undeveloped land would not occur.

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 not 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. The Alaska District currently does not have permissions to access the database. Therefore it has not been determined if there are listed or eligible properties in the vicinity of the worksite. 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 Stellar's eider (*Polysticta stelleri*), Spectacled Eider (*Somateria fischeri*), Polar Bear (*Ursus Maritimus*), and the Yellowbilled Loon (*Gavia adamsii*) a candidate for listing.

We have determined the described activity may affect the Stellar's eider (*Polysticta stelleri*), Spectacled Eider (*Somateria fischeri*), Polar Bear (*Ursus Maritimus*), and the Yellowbilled Loon (*Gavia adamsii*). 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. 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).

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-1982-370-M10, Sagavanirktok 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.