



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

ANCHORAGE
Regulatory Division (1145)
CEPOA-RD
Post Office Box 6898
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PUBLIC NOTICE DATE: July 27, 2012
EXPIRATION DATE: August 27, 2012
REFERENCE NUMBER: POA-2001-1082-M1
WATERWAY: Beaufort Sea

The public is hereby notified that a Department of the Army (DA) permit application has been received for proposed work in waters and navigable waters of the United States (U.S.), including surface waters, wetlands, and ocean waters, as described below and shown on the enclosed project figures. This is the second public notice issued for the Point Thomson Project to solicit public comment. The first coincided with publication for the Draft Environmental Impact Statement (EIS) on November 18, 2011. This public notice is issued concurrently with publication of the Final EIS. Included herein are the applicant's changes to the proposed project figures previously published with the first public notice. The changes include revisions and clarifications represented in the set of 82 Figures for this Public Notice are available online at <http://www.poa.usace.army.mil/reg/PNNew.htm>. Some figures have been modified and others added.

Comments on the described work noting U.S. Army Corps of Engineers (USACE) file number POA-2001-1082-M1, Beaufort Sea, must be submitted no later than the expiration date of this Public Notice (August 27, 2012) to become part of the administrative record and be considered in our permit decision. Please submit comments to the USACE Project Manager listed immediately below by the communication method of your choice.

USACE PROJECT MANAGER: Please submit comments to **Harry A. Baij Jr.** by e-mail address at harry.a.baij@usace.army.mil, at the mailing address above, by calling 907-753-2784 (office), 907-350-5097 (cell), toll free in Alaska at 800-478-2712, or by fax at 907-753-5567. Questions and requests for information on this public notice can be sent directly to Mr. Baij at the above e-mail address.

APPLICANT: Exxon Mobil Corporation and PTE Pipeline LLC.

APPLICANT'S AGENT: Mr. Lee Bruce, Senior Project Manager, Point Thomson Project, ExxonMobil Development Company (EMDC), a wholly-owned subsidiary of ExxonMobil Pipeline Company; 3301 C Street, Suite 400, Anchorage, AK 99503; telephone 832-868-2270.

LOCATION: Alaska's Beaufort Sea coastline, North Slope Borough, approximately 60 miles east of Prudhoe Bay and 60 miles west of Kaktovik, Alaska. The proposed development would extend over approximately 30 miles, generally near the Beaufort Sea. The locations of the major components of the proposed project are listed below:

1. The proposed Central Pad would be located at approximate Latitude 70.1713° N., Longitude 146.2568° W. in Sec. 34, T. 10 N., R. 23 E. and Sec. 03, T. 09 N., R. 23 E., Umiat Meridian.
2. The proposed East Pad would be located at approximate Latitude 70.1467° N., Longitude 146.1084° W., in Sec. 8, T. 09 N., R. 24 E., Umiat Meridian.
3. The proposed West Pad would be located at approximate Latitude 70.1806° N., Longitude 146.4394° W., in Sec. 36, T. 10 N., R. 22 E., Umiat Meridian.
4. The proposed airstrip would be located at approximate Latitude 70.1369° N., Longitude 146.2849° W., in Sections 15, and 16, T. 9 N., R. 23 E., Umiat Meridian.
5. The proposed mine site would be located at approximate Latitude 70.1465° N., Longitude 146.2528° W., in Sections 10, 11, T. 9 N., R. 23 E., Umiat Meridian.
6. The proposed support pad (existing Alaska State C-1 pad) would be located at approximate Latitude 70.1369° N., Longitude 146.2441° W., in Sections 14, T. 9 N., R. 23 E., Umiat Meridian.
7. The proposed in-field gravel roads would connect all the above proposed Central, East, and West Pads; the airstrip; and the gravel mine in a relative inland routing.
8. The proposed in-field or gathering pipelines would extend from the proposed East and West Pads to the proposed Central Pad in a relatively straight routing, that is, not closely aligned with the in-field roads.
9. A proposed export pipeline would extend west approximately 22 miles from the proposed Central Pad to connect with an existing common carrier pipeline to the Trans Alaska Pipeline System. Beginning at the proposed Central Pad, approximate Latitude 70.1712° N., Longitude 146.2641° W., in Umiat Meridian and ending at the existing British Petroleum Badami Facility, approximate Latitude 70.1502° N., Longitude 147.1027° W., Umiat Meridian.

Vicinity and smaller scale maps are also available online at <http://www.poa.usace.army.mil/reg/PNNew.htm>.

FIGURES: The original figure set included with our November 18, 2011, Public Notice was submitted with the applicant's October 2011, DA permit application. This original figure set has been fully replaced with figures re-submitted and re-dated by the applicant. The figures now include dates of March 2012, and July 2012. Figures are provided for gravel fill roads, gravel pads, an airstrip, a mine site, elevated pipelines, processing facilities, and supporting infrastructure. Some locations and relevant design features of the proposed facilities presented in the original October 2011, DA permit application have been revised by the applicant.

A total of 82 figures are included in the revised figure set attachment available online at <http://www.poa.usace.army.mil/reg/PNNew.htm> and fully replace the original figure set dated November 2011. The figures which have been added include:

Figure: 70 Wastewater Water Effluent Section Additional figure
Figure: 71 Water Access Pad Intake Section Additional figure

Figure: 72 Typical Stream Crossing Culvert Section Additional figure
Figure: 73 Typical Stream Crossing Culvert for Fish Passage Section
Figure: 74 Powerline Bridge Crossing Section
Figure: 75 Navaid Pad Section (Sheet 1 of 4)
Figure: 76 Navaid Pad Section (Sheet 2 of 4)
Figure: 77 Navaid Pad Section (Sheet 3 of 4)
Figure: 78 Navaid Pad Section (Sheet 4 of 4)
Figure: 79 Sealift Bulkhead Dredging and Screeding Details
Figure: 80 Service Pier Dredging and Screeding Details
Figure: 81 Sealift Bulkhead and Service Pier Elevation
Figure: 82 Typical Electrical Trenching and Road Section

APPLICANT'S PURPOSE: Initiate commercial hydrocarbon production (natural gas condensate) and delineate and evaluate hydrocarbon resources in the Point Thomson area.

PROPOSED WORK: The total gravel and dredged material fill discharged into waters and wetlands would be approximately 3,300,500 cubic yards on 267.5 acres. Fill would include gravel for drilling/production pads; connecting roads; an airstrip; a gravel mine; vertical support members (VSM's) for in-field pipelines and an export pipeline; a barge docking facility; emergency boat ramp; and service pier. Fill material would come from the new mine site. Navigational dredging and screeding (leveling of the marine sediments) in near-shore ocean waters is proposed in the barge docking area offshore of the Sealift Bulkhead and Service Pier. Dredged material would be discharged on a beach disposal area.

The two major components would include production/processing facilities and an export pipeline. Gravel would be placed for: three drill sites at or near the seacoast where a minimum of 5 development wells would be drilled; approximately 10 miles of infield gathering pipelines; approximately 12 miles of infield gravel roads; a 5,600 foot long airstrip; a 49.6 acre gravel mine; a 12.9 acre gravel stockpile; processing facilities; and support infrastructure. Two wells were recently drilled in the winter of 2009-2010 at the previously authorized Central Pad fill area.

The use of Long Reach Directional Drilling (LRDD) allows development of the primarily offshore Thomson Sand Reservoir from three onshore pads located on or near the seacoast. The proposed Central Pad would fill a total of 56 acres and include 13.2 acres of existing fill previously placed for the Point Thomson Unit No. 3 project. The expanded Central Pad would accommodate additional drilling, processing facilities, and support infrastructure (e.g. camps, utilities, warehouses, storage, and waste management facilities). At the proposed Central Pad, processing facilities will separate hydrocarbon liquids from the natural gas, re-inject the residual gas, and stabilize the liquid hydrocarbons for transport in the Point Thomson Export Pipeline.

The proposed East and West Pads would be located to access the eastern and western extents of the Thomson Sand Reservoir. The East Pad would include a new 11-acre pad on near seacoast at 17+ feet elevation, mean lower low water datum (MLLW), connected to an existing ConocoPhillips Alaska Inc. 4.6 acre North Staines River No. 1 exploration pad. This coastal pad would be utilized for temporarily staging equipment and camps during well drilling. The West Pad (approximately 19 acres) would be a new tundra wetland pad to support drilling and production. It would be located 4 miles west of the proposed Central Pad at 20+ feet MLLW elevation.

Gathering pipelines would be elevated a minimum of 7 feet above the wetland tundra surface on VSMS to transport hydrocarbons produced from the proposed East and West Pads to the Central Processing Facility at the proposed Central Pad. The silver color metal surfaces of the pipeline would be acid washed to reduce sunlight reflectivity.

Details on other proposed production infrastructure include:

- A 5,600-foot gravel airstrip for all-season transportation capable of accommodating cargo aircraft;
- An onshore bulkhead and 4 offshore mooring dolphins to accommodate transferring pre-fabricated modules for the proposed Central Pad processing facility from large sealift barges;
- A service pier and 4 other offshore mooring dolphins for transferring materials and equipment from coastal re-supply barges;
- A small boat launch to support access by emergency response vessels;
- A 12-mile infield gravel road network for transport of personnel, equipment (including drilling rigs), materials, and supplies in support of drilling, operations, and emergency responses;
- A 49.6 acre gravel mine with a 12.9 acre permanent stockpile site and an access road; and
- A Class I injection well for disposal of produced water, domestic wastewater and other authorized waste streams.

Construction activities are proposed to commence in the winter of 2012/13 and be completed by the winter of 2015/2016. Civil construction, including gravel placement and gravel mining, would be mainly conducted during the winters of 2012/13 and 2013/14. Production infrastructure construction would commence in early 2013 and be completed in winter 2015/2016. A flotilla of sealift barges would deliver large processing facility modules in the summer of 2015. Drilling operations are planned to commence in early 2015 and be completed in early 2017. Facility module installation, commissioning, and start-up are planned in 2015 to early 2016 followed by production and construction demobilization in 2016.

The export pipeline would be a common carrier pipeline and therefore subject to additional regulation (Federal Energy Regulatory Commission) separate from the infield gathering pipelines. The 22-mile long, 12-inch nominal diameter export pipeline would receive processed liquid hydrocarbons from the Central Processing Facility to a connection with the British Petroleum's Badami Facility, Sales Oil Pipeline. The export pipeline would also be elevated a minimum of 7 feet above the wetland tundra surface on VSMS and sheet metal covering surfaces would be acid washed to reduce the reflectivity. Other export pipeline facilities would include a small auxiliary pad at Badami for a leak detection and metering skid and a small pipeline crossing pad to allow ice road crossings. The export pipeline construction would be conducted from ice roads over two winter seasons in 2012/13 and 2013/14.

ADDITIONAL INFORMATION: Additional information is available from the Point Thomson Project website established by the USACE for this proposal at www.pointthomsonprojecteis.com, or by contacting the USACE Project Manager above.

The Final EIS has been distributed and published concurrent with this Public Notice. Comments on the FEIS are not being solicited. The applicant's October 2011, DA permit application, file number POA-2001-1082-M1, Beaufort Sea, and USACE's November 18, 2012, public notice is included with the publication of the Final EIS in Appendix A. Please note the changes to the figures are not included in the Final EIS, only are attached to this public notice.

In addition, the applicant has provided the USACE with extensive supporting documentation to supplement its permit application. This documentation includes detailed project descriptions and addendums, an Environmental Report, State of Alaska and North Slope Borough lease and right-of-way applications and stipulations for land use and operations, an Environmental Mitigation Report, and an Oil Spill Preparedness Report. Copies of these documents are available upon request. The applicant has also submitted technical information, responses to requests for information, and held informational workshops including a Hydrology Workshop and a Gravel Mining and Rehabilitation Plan Workshop.

APPLICANT PROPOSED MITIGATION: The applicant has proposed mitigation measures to avoid and minimize impacts to waters of the U.S. from activities involving the discharge of dredged or fill material as provided in the Point Thomson Environmental Mitigation Report. The avoidance, minimization, and compensatory mitigation measures are outlined below.

a. Avoidance: Avoid the construction and use of substantial offshore development structures and facilities in the Beaufort Sea by locating the 3 proposed Central, East, and West drill site pads on the coast and using LRDD to access the predominantly offshore reservoir. Strategic location of these 3 proposed drill sites is intended to avoid the need to construct additional drilling gravel pads in wetlands/waters and still accommodate future full-field development of the reservoir(s).

b. Minimization: Project design, supported by wetlands, hydrology, and other environmental studies, focused on minimizing environmental impacts. This includes minimizing the total area of wetlands/waters fill and construction in navigable waters.

Examples include:

1. Executing remote project development without proposed permanent gravel road construction from the Prudhoe Bay area by reliance on seasonal ice roads, a gravel airstrip, and barging with minimal offloading facilities.
2. Using three existing gravel pads at the proposed Central and East Pads and an existing fill pad at the Alaska State C-1 Pad thus minimizing the need for new tundra wetland fill footprint by more than 20 acres.
3. Minimizing gravel pad size through optimization of facility and equipment layout.
4. Designing and locating gravel pads, roads, bridges, and culverts to maintain natural drainage patterns and stream flows.
5. Routing the in-field gravel roads to minimize overall length and fill footprint in consideration of hydrologic impacts and wetlands values.
6. Limiting permanent structures in marine waters to vertical piles for the service pier, mooring dolphins, and sealift barge ramp.

c. Compensatory Mitigation: The applicant proposes payment of an in-lieu fee to The Conservation Fund (TCF). TCF is the only in-lieu fee sponsor

currently authorized by the USACE to provide compensatory mitigation for impacts to navigable waters and waters of the U.S. on Alaska's North Slope. The applicant proposes to work with TCF and the USACE to develop an appropriate Mitigation Plan to satisfy compensatory mitigation requirements. This would include exploring opportunities which may be available on the North Slope for purchasing lands containing aquatic resources for preservation.

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: Section 106 of the National Historic Preservation Act (NHPA) and its implementing regulations (36 CFR 800) require Federal agencies to consider the effects of their undertakings on cultural resources that are eligible for the National Register of Historic Places. Consultation with the Alaska State Historic Preservation Officer (SHPO), North Slope area Federally recognized Tribes, and other consulting parties is being performed to avoid, minimize, and/or mitigate impacts to eligible cultural resources throughout the NHPA Section 106 process. Issuance of a Federal permit qualifies as an "undertaking" under Section 106; therefore, the impacts of the proposal on historical, cultural, and archaeological resources have been addressed in the Final EIS and will be considered in the USACE permit decision to issue or deny a permit for the applicant's proposal. The USACE, as Lead Federal Agency for the Point Thomson Project EIS, previously initiated consultation with the SHPO.

The applicant has prepared and submitted a Cultural Resource Management Plan (CRMP), including a data gap analysis and fieldwork, to identify cultural resources within the project area. The CRMP was reviewed by North Slope Borough (NSB), Inupiat History, Language, and Culture (IHLC) Division and the Alaska Department of Natural Resources, Office of History and Archaeology (OHA) during its preparation. There are potentially eligible properties in the general project area and a determination of effect will be made in consultation with the SHPO. Review of the applicant's CRMP and review of the Alaska Heritage Resources Survey (AHRIS) constitutes the extent of cultural resource investigations by the USACE at this time. Any comments the SHPO or other consulting parties 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 proposed work.

A Programmatic Agreement (PA) is being developed to address potential effects to cultural resources within the proposed project area. The PA will be distributed to parties identified in the PA for review and comment prior to making a final determination on the applicant's DA permit application. The PA will define the process the applicant will follow should cultural resources be inadvertently discovered during construction. If a permit is issued, the PA would be attached to the DA permit as an enforceable special condition.

ENDANGERED SPECIES: The proposed project area is within the known range of the Spectacled eider (*Somateria fischeri*) and Polar bear (*Ursus maritimus*) and is within designated Polar bear Critical Habitat Area. The proposed project area is also within the historic range of Steller's eider (*Polystic stelleri*). All three species are listed as threatened under the Endangered Species Act (ESA) of 1973.

One other species that may occur near the Project, the Yellow-billed Loon (*Gavia adamsii*), is a candidate for listing under the ESA. These species are listed by the U.S. Fish and Wildlife Service.

The proposed project area is also within the range of the Bowhead whale (*Balaena mysticetus*), Ringed seal (*Phoca hispida*), and Bearded seal (*Erignathus barbatus*). Bowhead whales are listed as endangered, while Ringed and Bearded seals have been proposed for listing by the National Marine Fisheries Service (NMFS) as threatened under the ESA.

Biological Assessments (BAs) were forwarded to the USFWS and NMFS by the USACE for ESA Section 7 consultation procedures in January 2012. These BAs provide data on the distribution, abundance, and habitat use of the listed and candidate species, describe the effects of the project, and proposed mitigation to minimize impacts on those species.

The BA provided to the USFWS determined the proposal was "not likely to adversely affect" the Polar bear, Spectacled eider, and the Yellow-billed loon. The determination for the Steller's eider was "not likely to affect". The BA also determined the activity "may affect, but is not likely to cause destruction or adverse modification" of designated Polar bear critical habitat.

The BA provided to the NMFS determined the proposal is "not likely to adversely affect" the Bowhead whale, Ringed seal, and Bearded seal.

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). An EFH Assessment was prepared and forwarded to the NMFS for consultation in January 2012. The NMFS concurred with the USACE determination of "may affect" but did not require Conservation Recommendations for additional mitigative measures other than those identified in the EFH Assessment.

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 the proposed Federal action (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.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this public 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. The USACE held public meetings between December 5th and December 16th, 2011, to receive comments on the Point Thomson Project Draft EIS in Barrow, Nuiqsut, Kaktovik, Fairbanks, and Anchorage.

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 Clean Water Act Section 404 discharges (dredged and fill materials), a permit will be denied if the discharge that would be authorized by such permit would not comply with the Clean Water Act Section 404(b)(1) Guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see USACE regulations at 33 CFR Parts 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 USACE is soliciting comments from the public; Federal, State, and local agencies and officials; Alaska Native 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 USACE 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 affects, and other public interest factors listed above. Comments were used in the preparation of the EIS for the proposal pursuant to the National Environmental Policy Act. Comments will also be used to assist in a determination the overall public interest of the proposed activity.

The USACE determined in late 2009 that the applicant's proposal may result in significant impacts to the quality of the human environment and required an EIS be prepared. A Notice of Intent to Prepare an EIS was published in the Federal Register on December 4, 2009. The Draft EIS was issued for public comment on November 18, 2011. The Final EIS includes responses to substantive comments received on the Draft EIS.

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 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

(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) and Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

Project Figures, 82 total, and a Notice of Application for State Water Quality Certification for this Public Notice are available online at <http://www.poa.usace.army.mil/reg/PNNew.htm>.

District Commander
U.S. Army, Corps of Engineers

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
401 Certification Program
Non-Point Source Water Pollution Control Program

ANCHORAGE

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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 of dredged and/or fill material into navigable waters and waters of the U.S., in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the State Water Quality Agency. Therefore, the Alaska Department of Environmental Conservation (ADEC) must ensure 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 (USACE) and the ADEC, application for a Department of the Army (DA) permit to discharge dredged and/or fill material into navigable waters and waters of the U.S. 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 DA permit described in the USACE's public notice for the Point Thomson Project, file number POA-2001-1082-M1, Beaufort Sea, serves as application for State Water Quality Certification from the ADEC.

After reviewing the application, the ADEC 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 ADEC may deny or waive certification.

Any person interested in providing comment on the project, with respect to ADEC's Water Quality Certification, can submit written comments to their address above by the expiration date printed on page 1 of the USACE public notice.