

**STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER**

LAND USE PERMIT APPLICATION

AS 38.05.850

Applicants must complete all sections of this application. In addition, applicants proposing:

- the use of the uplands and non marine waters must also complete the Supplemental Questionnaire for Use of Uplands and Non Marine Waters accompanying this application;
- off-road travel must also complete the Supplemental Questionnaire for Off-Road Travel accompanying this application; and/or
- the use of tide and submerged lands must also complete the Supplemental Questionnaire for Use of Marine Waters accompanying this application.

Other items that must accompany the completed application are:

- **a (non-refundable) \$100 application filing fee;**
- a 1:250,000 or 1:63,360 scale USGS map showing the location of the proposed activity;
- additional items identified and required in any supplemental questionnaire(s) to this application;
- an Alaska Coastal Management Questionnaire if the proposed use is within the Coastal Zone; and
- additional pages if more space is necessary to answer the questions completely.

Completed Land Use Permit Applications should be mailed to one of the following offices:

Public Information Center
550 W. 7th Ave, Suite 1260
Anchorage, AK 99501
(907) 269-8400

Public Information Center
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2705

MLW Information Office
400 Willoughby, #400
Juneau, AK 99801
(907) 465-3400

LAS # _____

Applicant Information:

<u>ConocoPhillips Alaska, Inc.</u>			
Applicant Name		Date of Birth	
<u>ConocoPhillips Alaska, Inc.</u>	<u>Bruce St. Pierre</u>		
Doing Business As	Contact Person	EIN	
<u>P.O Box 100360, Anchorage, Alaska 99510-0360</u>		<u>bruce.st.pierre@conocophillips.com</u>	
Mailing Address with City, State and Zip		Email Address	
<u>()</u>	<u>(907) 265-6417</u>	<u>()</u>	<u>(907) 265-1608</u>
Home Phone	Work Phone	Cell Phone	FAX
If you are applying for a corporation, give the following information:			
Name, address and place of incorporation: _____ see above for name and address, incorporated in Delaware			
Is the corporation qualified to do business in Alaska? Yes [x] No []. If yes, provide name, address and phone number of resident agent: See above. _____			
Type of User, Select one: [] Private non-commercial (personal use) [] Commercial Recreation or Tourism			
[] Public Non-profit including Federal, State, Municipal Government Agency [x] Other commercial or industrial			

Duration of Project: The proposed activity will require the use of state land for: **(Check one)**

[] a single term of less than one year. **Beginning month:** _____ **Ending month:** _____

[x] a multi year term for up to 5 years. **Beginning year:** _____ **Ending year:** _____

If multi year and seasonal, circle months of use in each year. **Jan., Feb., Mar., Apr., May, Jun., Jul., Aug., Sept., Oct., Nov., Dec.**

Project Location

Latitude/Longitude or UTM: 70.3 / -151.22 decimal degrees or

Section: 18, Township: 11N, Range: 4E, Meridian: Umiat

(The spaces below are to be used if the boundaries of the proposed project cross section lines.)

_____ Section: _____, Township: _____, Range: _____, Meridian: _____

_____ Section: _____, Township: _____, Range: _____, Meridian: _____

Proposed project will require the use of up to _____ acres. (Add additional sheets as necessary)

Project Description - Describe in detail your intended use of state land. (State land also includes all tide and submerged lands beneath coastal waters and all shorelands beneath other navigable water bodies of the state.) Discuss development and activities. (Attach additional pages as necessary.)

The proposed project includes ice road construction and maintenance to support construction, operation and maintenance of proposed gravel drill site CD5 with transportation links and associated pipelines and utilities to bring 3-phase (oil, gas, and water) hydrocarbon production to Alpine Central Processing Facility. The only portions of the project on State lands are the ice roads between Kuparuk and Alpine and the Nigliq Channel. CPAI also requests approval for general off-road travel. Refer to the attached Project Description document for additional details.

Should a portion of the permitted area be closed to the general public? **Yes** **No** . **If yes**, explain which portion and provide justification for exclusive use:

Due to safety and security considerations, the general public should be excluded from the project area. CD-5 will have a MGPI Exclusion Zone of 30 meters from the edge of the drilling pad in effect during drilling operations.

Site Description - Briefly describe the current condition of the proposed site of use, noting any trash, garbage, debris or signs of possible site contamination (If significant, we recommend you provide pictures to establish initial conditions):

There are no indications of contamination.

Are there improvements or materials on the site now? **Yes** **No** **If yes**, briefly describe the improvements, their approximate value, and who owns them (We recommend you provide pictures of improvements):

Site Description continued - Describe the natural vegetation --- ground cover, trees, shrubs --- and any proposed changes. Describe the location of any estuarine, riparian, or wetlands and any noticeable animal use of area.

The site is undeveloped and consists primarily of tundra, dwarf shrubs, herbaceous plants, lichens and mosses. No permanent changes to the natural environment are anticipated due to the use of ice pads and roads. Please see attached Project Description for well site access, wildlife access, and other information including reclamation and waste management.

Site Access - Describe how you plan to access the site, and your mode of transportation.

Until the gravel roads are in place, the site would be accessed by seasonal ice roads and off-road tundra approved vehicles.

If your access is by aircraft, specify the type and size of aircraft: N/A

To access the site, the aircraft is equipped with **floats** **wheels** **skis** .

Number of people

1. Indicate the number of employees and supervisors who will be working on the site. +/- 100 during construction
2. Indicate the number of customers who will be using the site per year or season. 0
3. Indicate the number of days the site will be used per year or season. 365 days/year

Environmental Risk / Hazardous Substances - In the course of your proposed activity will you generate, use, store, transport, dispose of, or otherwise come in contact with toxic and/or hazardous materials, and/or hydrocarbons? **Yes** **No**. **If yes, please describe:**

Diesel fuel, lubricants, and produced crude oil will be present at the drill site. The drilling and transportation vehicles will be diesel powered. A fueling procedure designed to eliminate spills will be employed. Please see Project Description and approved ODPCP and SPCC plans for specific quantities and substances that will be stored at the facility.

The types and volumes of fuel or other hazardous substances present or proposed: _____

See attached table for estimated fuel and hazardous materials storage at the CD5 drill site.

The specific storage location(s): At CD5 temporary ice pad and eventually on the gravel pad

The spill plan and prevention methods: _____

CPAI will comply with the ADEC-approved Alpine Oil Discharge Prevention and Contingency Plan.

Environmental Risk/Hazardous Substances (continued) - If you plan to use either above or below ground storage containers (like tanks, drums, or other containers) for hazardous material storage, answer the following questions for each container:

Where will the container be located? All containers will be located on the CD5 gravel pad.

What will be stored in the container? See attached list, "Estimated Fuel/Hazardous Materials"

What will be the container's size in gallons? See attached list, "Estimated Fuel/Hazardous Materials"

Give a description of any secondary containment structure, including volume in gallons, the type of lining material, and configuration:
Secondary containment will be 110% of largest container. Please see Project Description sections 10.0 for Fluid Containment and 13.0 for ODPC and SPCC Plans.

Will the container be tested for leaks? **Yes[x] No[]**
Tanks will be inspected in accordance with API 653 as applicable.

Will the container be equipped with leak detection devices? **Yes[x] No[]**. **If no**, describe: _____
Tanks will be equipped with leak detection devices and procedures as required by 18 AAC 75.

Do you have any reason to suspect, or do you know if the site may have been previously contaminated? **Yes[] No[x]**. **If yes**, please explain:

Date Stamp:

Signature of Applicant or Authorized Representative Title

AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made part of the state public record and becomes public information under AS 09.25.110 and 09.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested.) Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit is punishable under AS 11.56.210.

Estimated Fuel/Hazardous Materials at CD5:

Temporary Tanks

Two 16,800-gallon (400-bbl) brine
One 8,400-gallon (200 bbl) mud & cuttings
Drill rig diesel tank built in as part of the drill rig structure

Production Operations Storage Tanks

One 16,800-gallon (400 bbl) corrosion inhibitor tank
One 6,300-gallon (150-bbl) methanol tank
One 2,100-gallon (50-bbl) scale inhibitor tank
One 6,300-gallon (150-bbl) emulsion breaker tank

Stand-by Tanks (Normally Empty)

One 400-bbl tank to facilitate well work

Land Use Permit Application Supplemental Questionnaire for: Off Road Travel

Answer the following questions if your proposed activity includes off-road travel.

Terrain Factor. Circle the following terrain type(s) that best describes your route of travel:

- Wetlands **X**
- Open, non-tundra or wetland areas.
- Rivers or other water bodies. **X**
- Wooded areas with trees of 6" or greater diameter (at breast height).
- Tundra areas. **X**

Vehicles and Weight. List the number and kinds of vehicles to be used for motorized travel, the weight of each vehicle and the weight of each trailer or sled (including loaded weight) to be carried by that vehicle:

Vehicles may include, but not limited to, pickup trucks, water trucks, loaders, rolligons/ATVs, graders, tractor/trailer units, drilling rigs, and B70 gravel haul trucks. The weights of drilling rig modules may be up to 1.5 million pounds or more.

Mileage.

- State the average total miles traveled in one round trip: Avg 20 miles from Alpine CD1 to CD5 and back, Up to 60 miles from Kuparuk to CD5 and back
- State the number of trips proposed: Several hundred or more per season

Season Factor. Proposed date(s) of travel will be: **From:** winter 2010 **To:** 2014

Stream and Water Body Crossings. - Note who you contacted in the DNR, Office of Habitat Management and Permitting:

Date: various Person: Project contact is Gary Schultz

Fuel and Hazardous Substance Factor. The volume of fuel and hazardous substances to be used is the total volume (in gallons) to be carried on one vehicle and any trailers or sleds that vehicle is towing.

- Maximum volume of fuel (in gallons) that is being transported by one vehicle and any trailers or sleds it is towing: 10,000 gallons.
- Hazardous substances other than fuel: (See List attached to Land Use Permit Application)
Substance Corrosion Inhibitor
Substance Scale Inhibitor, Emulsion Breaker
- Do you have an Oil Discharge Prevention and Contingency Plan approved by the Alaska Department of Environmental Conservation? **Yes**[x] **No**[]
- Do you have either a trained spill response team or a contract with a spill response company? **Yes**[x] **No**[]

**Land Use Permit Application Supplemental Questionnaire for:
Use of Uplands and Non Marine Waters**

To be completed to provide more detailed information about projects or activities requiring the use of state owned uplands and non marine waters. All site development details identified in this section must be represented graphically in the scaled drawings on Page 4 of the supplement.

Temporary Structures – 1) Describe all temporary improvements (including buildings, tent platforms, out-buildings, docks, floats, and floating facilities), including their dimensions and building materials. 2) Label improvements to be maintained on a year round basis as year round. **Note:** Seasonal improvements must be completely dismantled and removed or stored on or before the end of authorized terms of use.

The proposed project would require temporary ice roads during winter tundra travel season in preparation and anticipation of CD5 pad, road, and bridge construction.

Distance structures including pit privies will be located from the ordinary highwater mark of the nearest freshwater body (lake, stream, river, etc), or the mean high water mark of a saltwater body: Closest named lakes are around .5 mile away and closest streams are around 1 mile away from the drill site location. Please see maps in the Project Description.

Harvest of Non-Timber Related Forest Products – Please list the type and quantity of each non-timber related forest product (berries, ferns, willow, mushrooms, birch bark, etc.) to be harvested for commercial use:

None

Contact the DNR Division of Forestry to obtain authorizations for the harvest of small trees.

Motorized Equipment - List mechanized/motorized equipment to be used, including type, size, purpose, and number of each.

Water trucks, loaders, and rolligons/ATVs will be used for ice road construction. Once the gravel road is in place, numerous types of vehicles will travel the road.

For stream and water body crossings, note who you contacted in the DNR, Office of Habitat Management and Permitting:

Date: various Person: Project contact is Gary Schultz

Storage and Parking - If you plan to store items or park boats, vehicles and/or heavy equipment on the site, describe complete the following:

Describe and give dimensions of long term and short term parking and or storage areas. _____

Temporary parking during construction will be on the ice pad. Long term storage and short term parking will stay on the CD5 pad.

Is parking or storage planned to take place on filled tidelands. **Yes[] No[x]**

Does storage involve structures or materials floating in a waterbody? **Yes[] No[x]** If yes, describe. _____

Storage and Parking (continued)

Number of disassembled tent frames _0_____

Number of tent platforms ___0_____

List and describe items that are large and difficult to transport. Include dimensions: _____

Drilling rigs are large and can be difficult to transport. The largest dimensions of pieces that combine make a drill rig are up to 73' in length and up to 50' in width.

Will barrel(s) or an equivalent type of storage container be used? **Yes** **No** If using something other than barrels for storage containers, describe the alternative container.

Tanks, barrels, and drums will used for storage. Also see table attached to Land Use Permit Application

Describe any measures you plan to take to minimize drips or spills from leaking vehicles or equipment. _____

Drip pans will be used under vehicles and portable fuel-burning equipment while not in use. CPAI will provide regular training to its employees on the importance of preventing oil or hazardous material spills and spill response.

Water / Wastewater

Water Supply – Describe the water supply and proposed use. _____

Permitted lakes will be used for temporary water use. The water will be used for drilling and ice road construction and maintenance.

Wastewater – Describe the wastewater type and quantity and proposed method of wastewater disposal: (for the marine environment, also describe the proposed gray and black water systems or out fall pipeline.

Subsurface injection for drilling wastewater. Greywater discharge under NPDES. Wastewater trucked out to approved disposal facility.

Waste - Describe the types of waste that will be generated on-site, including solid waste, the source of the waste, and the method of waste disposal, i.e. pit privy, or self-contained system, or outfall line; indicate distance from the nearest waterbody.

Drilling wastes (i.e., muds and cuttings) will be disposed of through annular disposal on-site and/or transported to an approved Class II disposal well such as the Alpine disposal well at CD1. Drill cuttings may be washed and reused. Reserve pits are not required. Well work waste materials will be managed according to the Alaska Waste Disposal and Reuse Guide. A temporary storage cell will be constructed for staging of muds and cuttings prior to disposal. Produced water will be processed and re-injected to the subsurface. Sanitary wastes that may be generated from a temporary camp will either be disposed of through annular disposal on-site, hauled to the Alpine wastewater treatment system, or treated and discharged under the North Slope General NPDES Permit AKG-33-0000. Food waste will be incinerated at Alpine and non-burnables will be recycled or trucked to the NSB landfill at Deadhorse.

Animal Use

Will there be any use of animals (horses, llamas, dogs, etc.)? Yes [] No [x]

Will there be commercial use of the animals (horseback rides, packing, dog sled rides, etc.)? Yes [] No [x] If yes, please explain:

Dismantle, Removal, Restoration Plan – Provide a plan for dismantling and removing temporary structures. Include method and timeline for total site restoration:

Ice roads and pad may be used until 2012. The temporary ice roads and pad will melt after spring breakup annually.

SHORT TERM (PORTABLE) COMMERCIAL RECREATION CAMPS: Identify commercial recreation activity/activities for which short term (portable) camps **will be** established to accommodate employees and clients, and provide a general description of the location(s) (e.g. guide use area, game management sub-unit, river, stream, lake, etc.) where the recreational activity/activities and short term (portable) camp use will occur.

___ **Big Game Guiding: (List up to 3 Guide Use Areas.)** _____

___ **Sportfishing (List river corridors, lakes, etc.)** _____

___ **Boating/Rafting/Kayaking: (List river corridors, lakes, etc.)** _____

___ **Other Recreation: (Type and general geographic description.)** _____

- Is all or a portion of any of the above identified areas located within the Bering Straits CRSA? Yes _____ No _____

- Identify any State of Alaska Refuge, Sanctuary and/or Critical Habitat Area where short term (portable) camps will be used. _____

Will activities include “day use” of state land managed under the Haines State Forest Management Plan? Yes

No