

# STATE OF ALASKA

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July 22, 1988

Mr. Walter O. Stieglitz  
Regional Director  
U.S. Fish and Wildlife Service  
1011 East Tudor Road  
Anchorage, Alaska 99503

Dear Mr. Stieglitz: *Walt*

The State of Alaska has reviewed the U.S. Fish and Wildlife Service (FWS) Draft Environmental Impact Statement (DEIS) and Wilderness Proposal for the Kenai National Wildlife Refuge. The following letter is submitted on behalf of state agencies and represents a consolidation of state concerns and comments. The state's comments are presented in three sections as follows: Introductory Comments; Comments on the Wilderness Recommendation; and Page-specific Comments.

### INTRODUCTORY COMMENTS

The State of Alaska recognizes that Wilderness has a legitimate place in the range of public land use classifications which exist in Alaska, and that 1.35 million acres (69% of the refuge have already been designated. However, the state cannot support the recommendation for additional Wilderness contained in this DEIS. The state supports the No Action alternative on the basis that new Wilderness would:

- prohibit oil and gas leasing and exploration within the designated areas;
- inhibit construction of an Anchorage-Bradley Lake transmission line intertie; and
- preclude additional opportunities for recreational development in an area of high demand.

The state has used the following criteria to review the Wilderness recommendation and suggest modifications. Given the FWS's familiarity with these areas, we also urge the FWS to carefully review its draft recommendation to determine whether any lands included in the proposed action fall within the categories described below. If FWS finds that certain recommended lands do fall within one or more of these categories, the state requests that FWS either 1) explicitly identify them in the final DEIS and provide compelling reasons for recommending them or, 2) delete them from the proposed action. Each of these criteria represent a significant issue that should be addressed in the final EIS.

Criteria

1. Areas where Wilderness designation would eliminate, reduce or restrict existing uses, structures or activities that are allowed by the Alaska National Interest Lands Conservation Act (ANILCA) and are not degrading resource values;
2. Areas where there is a current or foreseeable interest in or need for:
  - a) FWS visitor facilities or recreational development (e.g., visitor centers, campgrounds, trails, lodges, public use cabins);
  - b) developed access (e.g., roads, airstrips, docks, helicopter landing sites);
  - c) state or federal administrative/management facilities (e.g., ranger stations, air/water quality monitoring stations, research facilities);
  - d) utility corridors or facilities (e.g., pipelines, power transmission lines, remote communications equipment);
  - e) habitat manipulation or permanent fisheries improvement facilities;
  - f) mariculture, commercial fishing, and/or oil and gas support facilities;
  - g) core sampling or seismic studies;
  - h) hydroelectric or geothermal development;
  - i) sand and gravel removal;
  - j) commercial timber harvest;
  - k) oil and gas leasing.
3. Areas with valid and/or patented mining claims;
4. Areas that have reasonable potential for inclusion in land exchanges or where unit boundaries are in dispute;
5. Areas where cabins or other structures are used for commercial (e.g., guiding or commercial fishing) or residential purposes;

6. Areas where mechanized equipment (e.g., chainsaws, generators) has traditionally been used to support commercial, recreational, subsistence, or management activities;
7. Areas immediately adjacent to roads, mining activity, recreational facilities, land with oil and gas potential or existing leases, or other existing or proposed development;
8. Areas where off-road vehicles have been traditionally used; and,
9. Areas immediately adjacent to state lands, navigable waterbodies, submerged lands, tidelands, and possible Revised Statute (RS) 2477 rights-of-way.

#### COMMENTS ON THE WILDERNESS RECOMMENDATION

##### Oil and Gas Exploration and Leasing

Given the proven oil and gas reserves located in the Kenai Refuge, the state recommends that remaining options for oil and gas exploration and leasing be maintained. The Department of Natural Resources, Division of Oil and Gas, notes that potential new discoveries have recently been announced in the Moose River area, in and adjacent to the proposed Wilderness area. See excerpt from July 1988 issue of Alaska Construction and Oil, page 27, attached.

##### Anchorage-Bradley Lake Intertie

The Alaska Power Authority is currently studying the feasibility of a proposed new electrical transmission line intertie between Anchorage and the Kenai Peninsula to 1) facilitate delivery of power from the Bradley Lake Hydroelectric Project to the Railbelt Utilities and, 2) increase the reliability of the overall Railbelt transmission system. The preferred route would parallel the Enstar Pipeline following the established utility corridor through the Kenai Refuge. All alternatives with Wilderness recommendations include the utility corridor at the northern end where it passes through the Chickaloon Flats area, thereby encumbering the approval process for new utility uses.

The proposed action, Alternative "C", designates the Pipeline Corridor/Mystery Creek Road area as moderate management up to the Big Indian airstrip. Under moderate management, transmission lines are permitted on a site-specific basis subject to restriction on road access and methods of placement. The Enstar route proposes an overhead line up to the airstrip and a buried line through the Chickaloon Flats area, a distance of approximately five miles.

While we understand that the underlying minimal management classification is not addressed in this DEIS, future revisions of the Kenai Comprehensive Conservation Plan (CCP) should consider extending the moderate management classification along the existing corridor up to the south side of Turnagain Arm to facilitate consolidated use of this route.

An extensive environmental assessment of the Enstar route has concluded that even though there will be some impact to the Kenai Refuge, that impact can be reduced through mitigation measures to compensate for habitat losses and indirect affects. Furthermore, we believe it makes sense to place this project and any future utilities in a single existing corridor which has already been disturbed. The state, therefore, objects to a Wilderness recommendation in the area covering the established utility corridor.

#### Recreation Opportunities

The DEIS does a good job of recognizing visitor and recreation needs within the refuge. The state is concerned, however, that long-term future opportunities for recreational development may be understated, especially since the Kenai Peninsula is a major recreation hub for Southcentral Alaska. Nearly 70% of the refuge is already designated Wilderness, so opportunities for a primitive recreational experience appear to be ample. The state, therefore, recommends maintaining flexibility by avoiding the designation of additional Wilderness in the Kenai Refuge.

#### Page-Specific Comments

Page 1. The DEIS fails to recognize subsistence as a major purpose (priority use) of all federal lands in Alaska. Consistent with item 8 of the Record of Decision for the Kenai CCP, we request the following language be included under 1.2:

Although the FWS considers hunting and fishing to be primarily recreational activities on the Kenai Refuge, Title VIII of ANILCA established subsistence as a priority use of fish and wildlife resources on all federal land in Alaska.

Page 16, Habitat Manipulation Actions. Paragraph 1 of this section states that "Terrain and vegetation types would limit the area suitable for mechanical manipulation to 400,000 acres." To avoid the implication that there is a 400,000 acre ceiling on the acreage in moderate management where mechanical manipulation will be allowed, we suggest the following sentence be substituted: "Mechanical manipulation is currently impractical to employ on approximately half of the moderate management area due to terrain and vegetation limitations."

As noted in the second paragraph, the State of Alaska owns the tree crushers that are presently used on the Kenai Peninsula. Since the Department of Fish and Game (DFG) and FWS have shared the expense of this equipment in the past on cooperative habitat manipulation projects, we suggest that this be continued rather than purchasing new equipment as proposed in the DEIS. This would reduce the cost per acre of crushing.

Page 17, first paragraph. The discussion of cabins under the preferred alternative does not address new cabins or replacements, although these are addressed under other alternatives. We request that generic cabin language from recent CCPs be incorporated in the final EIS. We also request assurance be provided that temporary facilities will be allowed.

The state requests that the final EIS address how the Wilderness proposal affects fire management on the refuge, including a policy statement regarding wildfires. This should address the following questions: Will wildfires continue to be extinguished in all areas or will they be allowed to burn in some instances? How will the acreage burned by wildfires affect the total acreage likely to be subject to habitat manipulation? How will Wilderness designation affect wildfire response techniques?

Page 42. The concept of "representative species" was challenged by the state during review of the Kenai CCP and was eventually satisfactorily addressed in the Record of Decision. We request that this topic be deleted from the final EIS; or, at a minimum, be accompanied by the following language from the Regional Director's Record of Decision addressing representative species:

The suitability of fish and wildlife species proposed as indicator or representative species for habitat management purpose will be [or is being] re-evaluated cooperatively with DFG. The species utilized will be subject to change as necessary, based on updated biological information and/or management needs.


In closing, the state does not support designation of additional Wilderness within the Kenai National Wildlife Refuge at this time. We urge the FWS to adopt the No Action alternative.

July 22, 1988

On behalf of the State of Alaska, thank you for the opportunity to review this draft DEIS. If we can be of assistance in clarifying the state's comments, please do not hesitate to call this office.

Sincerely,

Robert L. Grogan  
Director



By Sally Gibert  
CSU Coordinator

cc: Commissioner Judy Brady, DNR  
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Commissioner Dennis Kelso, DEC  
Commissioner Mark Hickey, DOT/PF  
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# DRILL REPORT

Twenty-one rigs operated by a dozen companies were active on production and exploratory wells statewide as of mid-May. This compares with nine rigs active at the same time last year.

A surge of development drilling in the Prudhoe Bay field accounts for most of the increase in rig use. Standard Alaska Production Co. has six rigs under contract for production wells in Prudhoe and Endicott fields plus one workover rig at Prudhoe.

Standard's Eileen-West End work is progressing with Nabors Alaska Drilling and Alaska United Drilling each operating a rig there. The \$100-million project should be sending its first oil through the trans-Alaska pipeline this month, according to a company official. Production of 65,000 bpd is expected by 1990. Total recovery will be 111 million bbl. using 72 production and injection wells.

Arco has eight drilling operations in progress, including workovers. In May, Arco contracted with Doyon Drilling to use its No. 9 rig for at least five wells in the Prudhoe Bay Unit. At press time, the rig was undergoing modifications to allow infill drilling on existing pads.

Also, Arco is using Pool Arctic Alaska rig No. 5 for a minimum of five wells on Prudhoe pads. Contract agreements with each driller reportedly stipulate at least 100 days of work with options for another 300 days.

The Grace Drilling rig No. 154 was to have spudded an exploratory well for Arco this month not far from the 1957 Swanson River discovery well on the Kenai Peninsula. Dubbed the Moose River No. 1 well, it is targeted for 15,000 ft. The 90-day project will cost an estimated \$6 million.

This area, south of the Swanson River field, is noted for dry holes. However, working with new geological and drilling data, Arco feels the well may usher in a 100-million-bbl. field. Swanson River currently produces some 6,000 bpd of the 58,000 bpd coming from the Cook Inlet basin.

Offshore activity in Cook Inlet has picked up considerably with seven operations under way as of mid-May.

Included were Marathon's efforts to drill a relief well and seal off the crippled M-26 gas well that damaged its new Steelhead platform. Two blowouts occurred in early May on the intersect well forcing evacuation of crew members from the Diamond M Falcon semisubmersible rig. No fire or injuries were reported.

Elsewhere, Shell Western E&P was busy with sidetrack operations on its C platform at Middle Ground Shoals while Arco had the same problem with its K6-RD well on the King Salmon platform in the McArthur River field.

Unocal was conducting workovers from the Grayling platform and had announced plans for workovers of up to nine wells and redrills of two more on the Monopod platform.

As for offshore exploration, Tenneco was reportedly nearing completion of the Aurora prospect as a commercial find about 5 mi. offshore of the Arctic National Wildlife Refuge.

Newspaper accounts have quoted "industry sources" as saying Tenneco encountered hydrocarbons at several levels between 8,800 ft. and 9,500 ft., including one 60- to 80-ft. oil sands zone. Tenneco remained mum on the subject.

If both the Aurora prospect and Chevron's onshore KIC well within ANWR proved big producers, it would give predictions of a Prudhoe-sized field there great credibility and advance arguments for opening the 1.5-million-acre coastal plain to oil and gas development.

Results released this spring from Unocal's 1985 Hammerhead well confirmed it was a success. The discovery well, 60 mi. west-northwest of the KIC well, tested at 1,580 bpd from two zones below 5,000 ft. Hammerhead 2, drilled a mile north in 1986, also came in as a producer.

Unocal, alone and in partnership with Shell Western and Amoco Production Co., holds drilling rights to 145,000 acres in 70 blocks gained in eastern Beaufort Sea lease sales. □

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