



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Natural Resources

Office of the Commissioner
550 West 7th Avenue, Suite 1400
Anchorage, Alaska, 99501-3650
Phone: 907.269.8431
Fax: 907.269.8918

February 12, 2013

The Honorable Dan Saddler, Co-Chair
The Honorable Eric Feige, Co-Chair
House Resources Committee
State Capitol
Juneau, AK 99801

Dear Representatives Saddler and Feige and members of the House Resources Committee:

In response to a question posed by Rep. Seaton relating to the Department of Natural Resources' administration of right of way leases, in consultation with the Department of Law, we offer the following response:

A lease with contract carrier covenants rather than common carrier covenants may be issued only to an applicant eligible to be regulated under the new AS 42.08 (Section 33 of HB4\O). Since AS 42.08 is limited to in-state natural gas pipelines, no oil pipeline can become a contract carrier. With respect to existing gas pipelines, there is no language within HB4 that would require any existing lease other than a single lease with AGDC to transition to contract carriage.

Under HB4, an existing lessee with a 38.35 right of way for an in-state gas pipeline may apply to amend its lease to include the 38.35.121 covenants instead of the 38.35.120 covenants. That would require notice to the public and a determination by the commissioner that the applicant is "fit, willing, and able to perform the transportation or other acts proposed in a manner that will be required by the present or future public interest." This is the same finding the commissioner must make before granting a lease in the first instance.

I have attached a summary of the lease amendment process including a recent example where DNR added lands to the TAPS lease. This process is expected to take at least 70-80 days.

While not considered a routine activity, the SPCO has amended the TAPS right-of-way lease 56 times over the life of the lease (<http://dnr.alaska.gov/commis/pco/tapsamendments.htm>).

If you have any additional questions, please let me know.

Kindest Regards,



Esther Tempel
Legislative Liaison

CC: Heather Brakes, Legislative Director, Governor's Office
Mike Thompson, Director, State Pipeline Coordinator's Office

Enclosures:

Aleaska Lease Amendment Request
Lease Amendment Public Notice
Commissioner's Analysis and Proposed Decision Public Notice
Commissioner's Analysis and Proposed Decision
Final Lease Amendment

DNR Lease Amendment Summary

The AS 38.35 right-of-way lease amendment process is summarized as follows:

1. The State Pipeline Coordinator's Office (SPCO) receives a lease amendment request or application with payment.
2. The SPCO issues a 60-day notice of application for the proposed lease amendment.
3. The State Pipeline Coordinator (SPC) notifies the Commissioner of the request, reviews the request, and drafts the Commissioner's Analysis and Proposed Decision.
4. The SPCO issues a 30-day public notice of the Commissioner's Analysis and Proposed Decision.
5. At the close of public notice the Commissioner may sign the decision and it becomes the Final Decision.
6. If there are significant changes to the Proposed Decision, the Commissioner may choose to re-notice the Analysis and Proposed Decision, but it is not required by statute.
7. The lease amendment document is signed by the lessee.
8. The lease amendment is executed by the Commissioner.
9. The SPCO records the lease amendment document in the appropriate recording district(s).



P.O Box 196660

ANCHORAGE, ALASKA 99519-6660

RECEIVED
MAY 31 2012
STATE PIPELINE
COORDINATORS OFFICE
TELEPHONE (907) 787-5700

May 29, 2012

APSC Letter No. 25883

Mr. Frederick M. Thompson, State Pipeline Coordinator
Alaska Department of Natural Resources
411 West 4th Avenue, Suite 2C
Anchorage, AK 99501

RE: Right-of-Way Lease, ADL 63574
Trans Alaska Pipeline System, Fuel Gas Line Milepost 74.9 & 106.12
Gate Valves 5 & 7 Replacement and Relocation (F802)

Dear Mr. Thompson:

Alyeska Pipeline Service, on behalf of the TAPS Lessees, hereby applies to modify the land description of the referenced Lease in order to accommodate the subject work. This package follows the several discussions at recent Monthly Lands and Permits Meetings about the work which also includes one federal-land valve site.

Also enclosed are:

1. a check for \$100.00 to cover the application fee,
2. Legal Description (Attachment A) and Project Narrative,
3. Final Design (Issued for Review) binder (2 paper w/ hand-corrected typo & 1 CD),
4. Project schedule (in triplicate),
5. Grant Stipulation Compliance Matrix (in triplicate),
6. Copy of the Department of the Army permit application (to follow).

Alyeska further requests a determination of need for a Notice to Proceed for the same work in accordance with SPCO letter no. 12-086-AS dated March 13, 2012, and the issuance of a Notice to Proceed pursuant to Stipulation 1.7.1 of the referenced right-of-way if your determination is affirmative. In accordance with the request in Joint Pipeline Office letter no. 00-62-MC dated August 1, 2000, we also address this request to the Federal Authorized Officer by copy of this letter.

The Final Design (Issued for Construction) package is anticipated by mid-June. Upon completion of construction, we will submit an as-built survey of the structure for the purpose of describing the permanent right-of-way addition.



SPCO-20120601-2

APSC Letter No. 25883

5/29/2012

Page 2

And, this letter serves to request, pursuant to Stipulation 2.9.1 of the TAPS right-of-way lease, that Alyeska may conduct certain short-term, non-intrusive activities related to the work, such as dewatering and water quality monitoring, outside of the permanent and amended right-of-way limits. Such access would occur only if needed and be via foot, passenger vehicles and small, rubber-tired or tracked equipment and include the placement of hoses, and other small, portable equipment.

If you have any questions or need other information, please contact Tom Marchesani at at 787-8827 or myself at 787-8170.

Sincerely,

A handwritten signature in blue ink that reads "Peter C. Nagel". The signature is fluid and cursive, with the first name "Peter" and last name "Nagel" clearly legible.

Peter C. Nagel, SR/WA
Land and Right-of-Way

Enclosures

cc: Nolan Heath, Acting Federal Authorized Officer, BLM
Joe Kemp DNR/JPO
Pat Jarrett DNR/JPO
SPCO Record Centers

ATTACHMENT A

FGL Valve no. 5

Township 2 South, Range 14 East (Umiat Meridian)

Section 21 NW4, lands immediately adjacent to the existing TAPS right-of-way and the Dalton Highway containing approximately 0.25 acres (See attached drawing).

FGL Valve no. 7

Township 7 South, Range 14 East (Umiat Meridian)

Sections 16 NW4 and 9 SW4, lands immediately adjacent to the existing TAPS right-of-way and the Dalton Highway containing approximately 0.52 acres (See attached drawing).

TRANS ALASKA PIPELINE SYSTEM

Project F802 – 2012 Fuel Gas Line Manual Gate Valve Replacements

Project Narrative (May, 2012)

Project Purpose

Project F802 will replace three of the existing Alyeska Pipeline Service Company's fuel gas line (FGL) mainline gate valve (MGV) sets, as well as make modifications to the Pump Station 3 (PS03) Lateral line. The purpose of the project is to replace existing below ground valve sets with above ground valve sets and off-set them further from the highway to ensure adequate distance from the highway to prevent vehicular damage and the long term integrity of the new pipe and valve set being installed.

Location

The project sites are located immediately adjacent to the Dalton Highway a) 74.9 (MGV-5, Dalton Hwy MP 342.1), b) 106.1 (MGV-7 and PS03, Dalton Hwy MP 311.7), and c) 135.3 (MGV-9, Dalton Hwy MP 282.4) miles south of Pump Station 1 on the Trans Alaska Pipeline System.

Work Description

The MGV-5 and MGV-9 sites will require 2 lengths of trenching for installing the off-setting pipe and two excavation holes for stopple work. The MGV-7 and Pump Station 3 Lateral site will have three stopple excavations. The trenching will be performed by construction vehicles travelling only on tundra mats. Excavations for stopple equipment will be 30 feet long by 15 feet wide at the surface (orientation along the pipe), sloping inward to a depth of 6 feet (two for MGV-5 and MGV-9 each, and three for MGV-7 & PS03). At the Pump Station 3 Lateral, 2-inch-diameter carrier pipe inside a 6-in. casing pipe will be installed across the highway to maintain service to the pump station during the project on a temporary basis. The excavations will be typical TAPS fuel gas line excavations extending below the pipe for purposes of welding, and will remain open until recoating is completed.

Each relocated MGV will be supported by 2 vertical supports of 4" diameter, 20' long steel pipes filled with new slurry backfill. Concrete pad with steel platforms and stairs will provide personnel access for valve operations. Clean gravel materials will be used for the construction of the required access workpads. The pads will be level with the elevation of the highway which should correlate to 3 to 4 feet above the grade level of the surrounding tundra. Chain-link fencing will be moved to the new above-ground valve locations and vehicle gates will be installed to control site access.

With the exception of the existing lateral piping crossing the highway at Pump Station 3, the existing valve sets and piping being retired will be physically removed from the ground prior to ground restoration activities. At the highway crossing, the retired piping will be abandoned in-place after being purged of natural gas and capped.

Backhoes, pick-up trucks, boom-trucks/cranes, and ancillary equipment; welding skids, heaters, light plants and equipment common to Alyeska Pipeline excavations are expected to be used. Traffic control, comprising signs, flaggers, lane closures, barriers (Jersey Barricades) and other contractor designed traffic control plans, will be implemented.

Environmental Considerations and Mitigation

Adjacent to the highway and TAPS workpads, wetland plant communities predominate of the lowland tundra variety which includes mosses, lichens, herbs and low shrubs. The soils in this area consist of organic silt with some sand, gravel mixed with sand, numerous cobbles and scattered boulders.

The excavated material will be temporarily stockpiled on mats as needed to protect the natural ground surface, with the vegetation and organic soils stored separately from the gravel and silt, and then be used to backfill the excavations after the piping is installed and padding fill has been completed. The pad expansions are situated to utilize existing gravel embankments while maintaining vehicular access. When the project is complete, the disturbed areas will be restored to stable slopes approximating the original grade and drainage patterns in accordance with TAPS manual MR-48, section 23 (Erosion Control). Heavy equipment use will be confined to existing TAPS workpad, the new pad expansions and tundra mats. There is very minor loss in the area of waters of the U.S. in an area abundant in such, and no additional mitigation is planned.

Schedule

The field implementation is planned to begin after August 1, 2012, and be substantially complete by November 1, 2012.

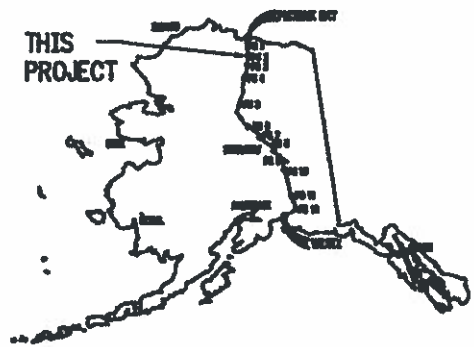
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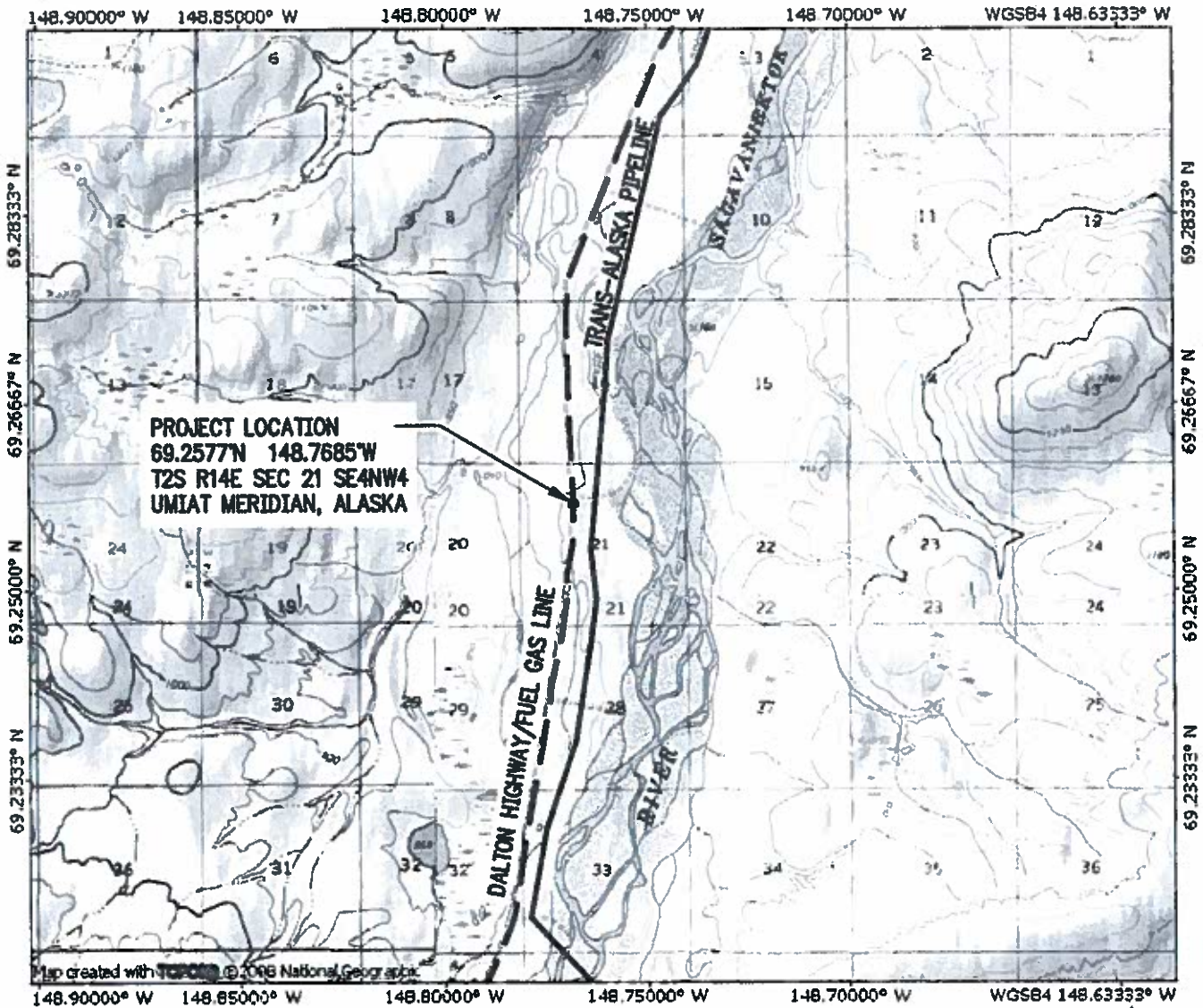
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PROJECT SITE INFORMATION
 FGL STATION: 3954+86, MP 74.9, AL-15-G100 SH 14
 DALTON HIGHWAY MP 342.1
 LOCATION REFERENCE: 16.9 MILES SOUTH OF PUMP STATION 2



FILE DATE: -

PLOT SCALE: -

FILENAME: -

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
 TAPS FUEL GAS LINE MGV-5 REPLACEMENT
 LOCATION AND VICINITY MAP

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/24/12

PLATE 1

REV.	A	DWN. TAN	CKD. JAW	APPR. JPD
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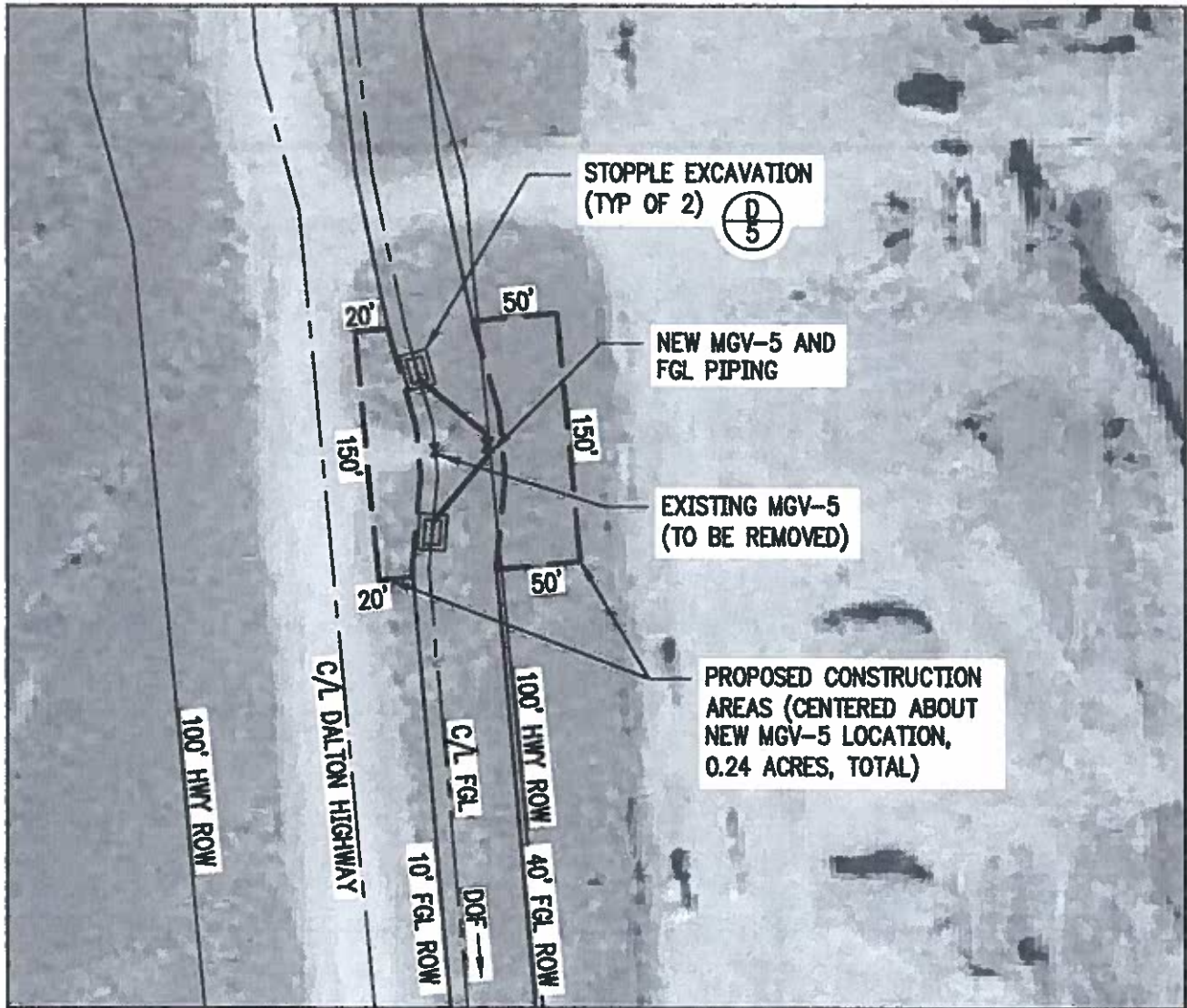


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SCALE: 1" = 100'

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ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-5 REPLACEMENT
PLAN

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/24/12

PLATE 2

REV. A

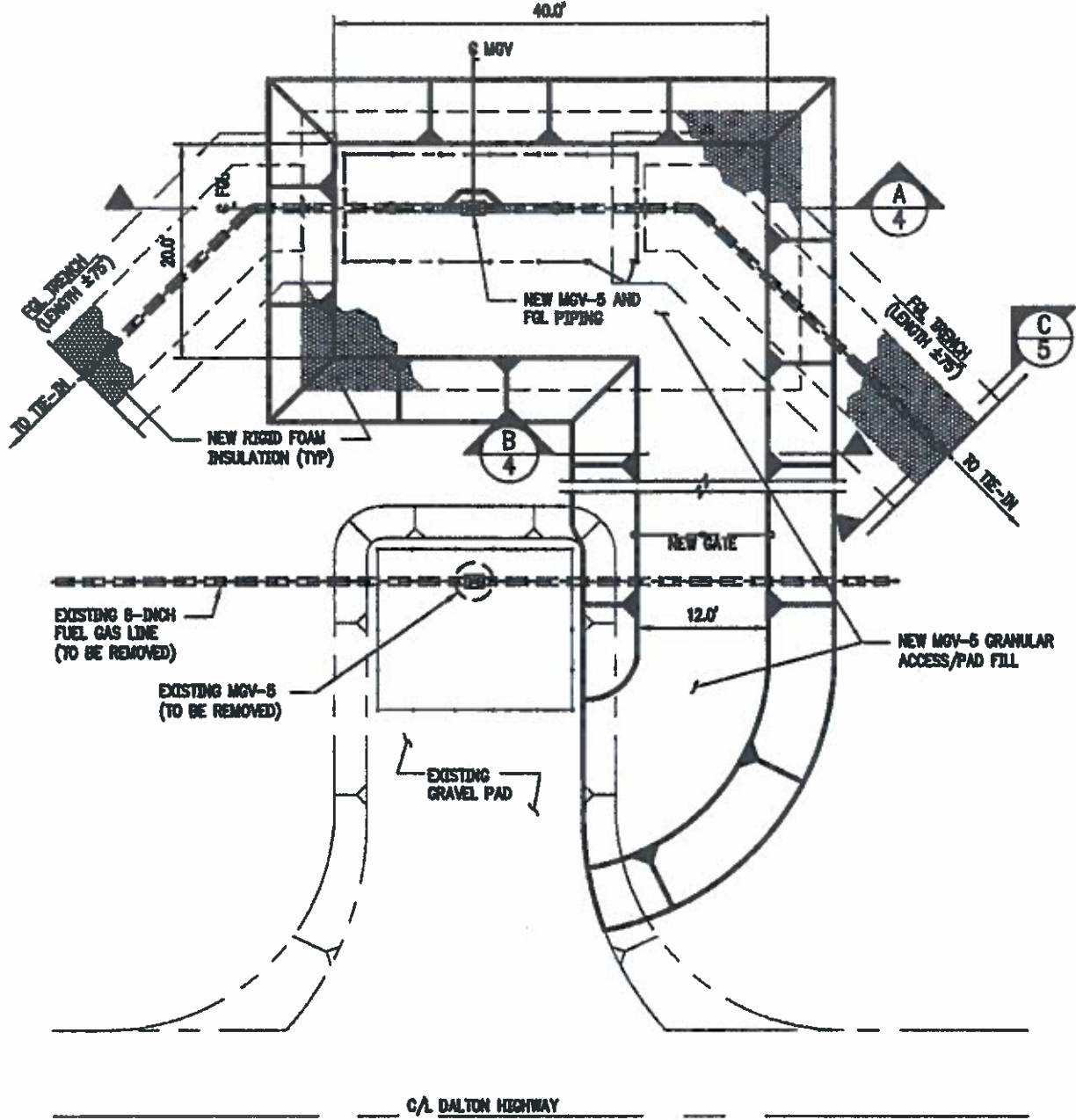
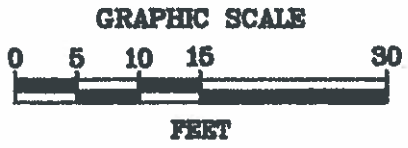
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CKD. JAW

APPR. JPD

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SHEET 2 OF 5



PLAN
SCALE: 1" = 15'

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-5 REPLACEMENT
PLAN

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/24/12

PLATE 3

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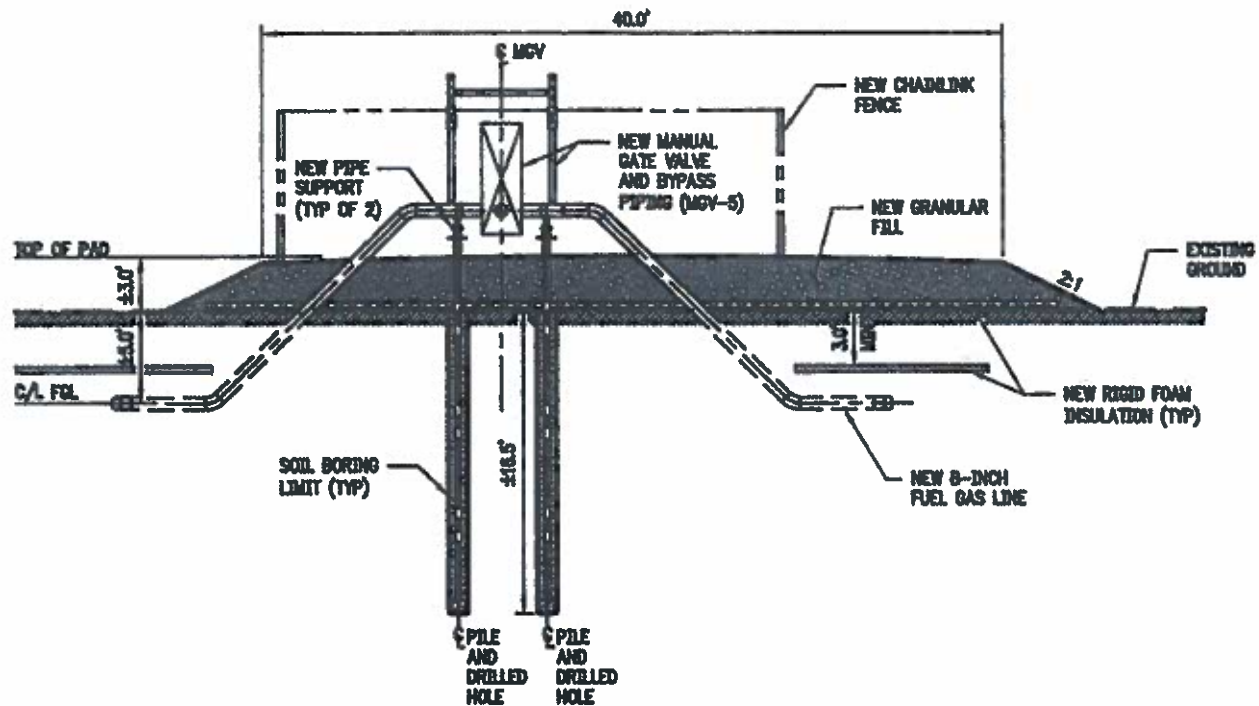
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SECTION - MGV-5 PAD

SCALE: 1"=10'



SECTION - MGV-5 ACCESS

SCALE: 1"=10'



ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-5 REPLACEMENT
SECTION

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/24/12

PLATE 4

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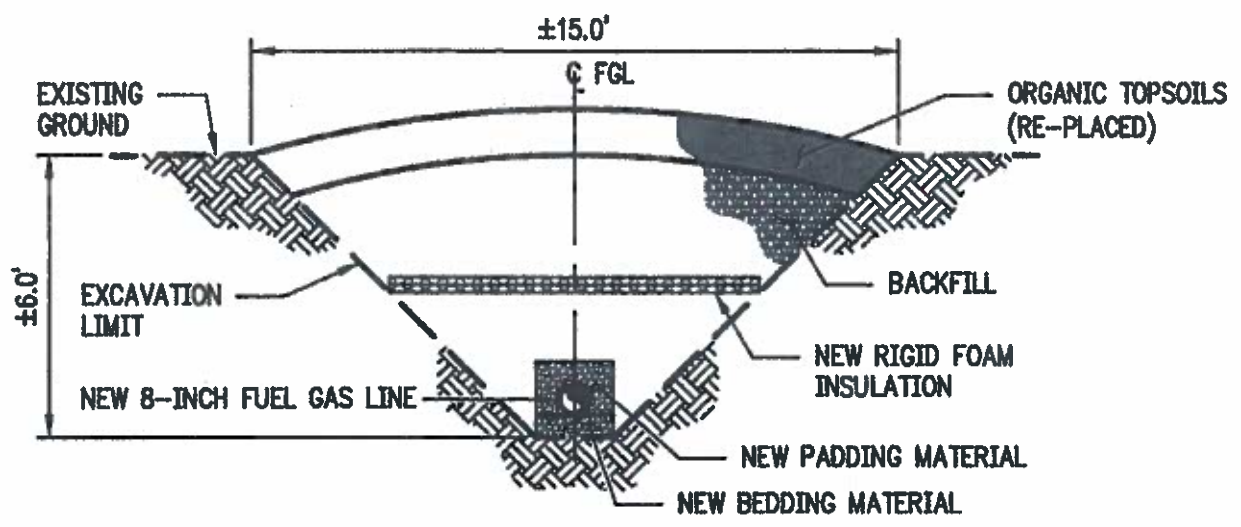
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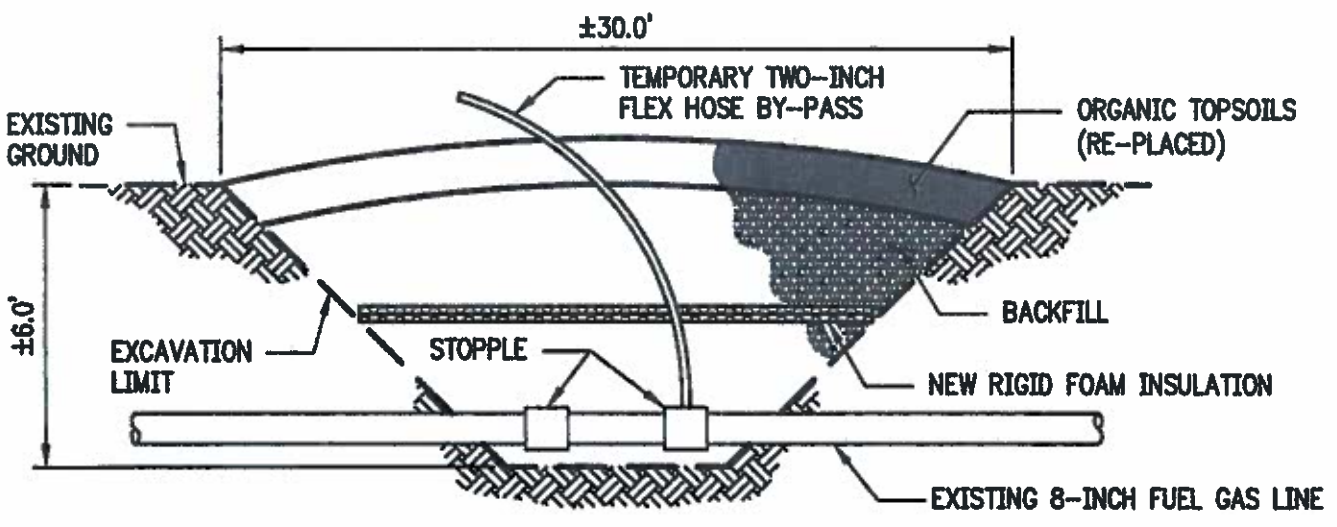
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ESTIMATED FILL QUANTITIES		
	AREA (SF)	VOLUME (CY)
FGL TRENCH EXCAVATION (QTY 2, BACKFILLED WITH EXCAVATED SOIL)	2,000	280
FGL STOPPLE EXCAVATION (QTY 2, BACKFILLED WITH EXCAVATED SOIL)	900	90
MGV-5 ACCESS/PAD (IMPORTED GRANULAR FILL)	3,100	300



SECTION - FGL TRENCH EXCAVATION (C/3)
SCALE: NTS



SECTION - FGL STOPPLE EXCAVATION (D/2)
SCALE: NTS

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-5 REPLACEMENT SECTION

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/24/12 PLATE 5

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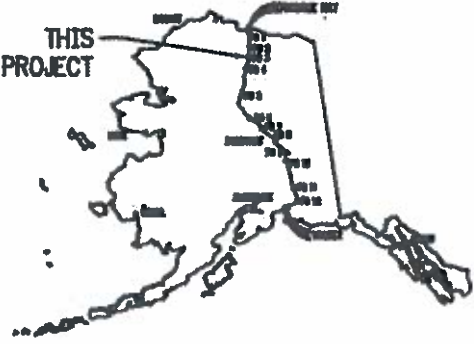
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THIS PROJECT



PROJECT SITE INFORMATION

FGL STATION: 5602+23, MP 108.1, AL-15-G100 SH 20
 DALTON HIGHWAY MP 311.7
 LOCATION REFERENCE: AT ENTRANCE TO PUMP STATION 3 FROM DALTON HIGHWAY

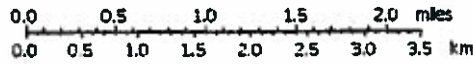
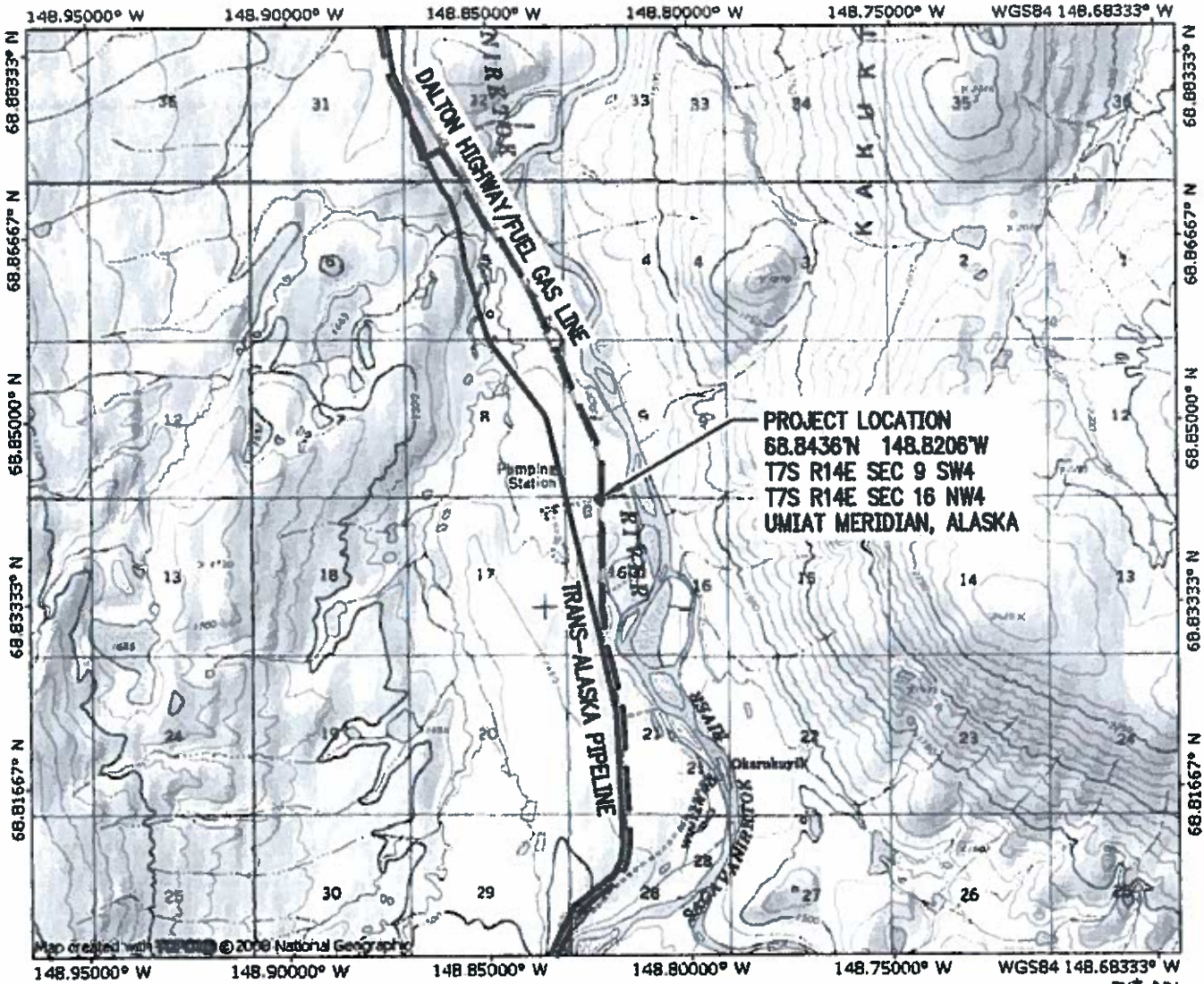


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ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
 TAPS FUEL GAS LINE MG7-7 REPLACEMENT
 LOCATION AND VICINITY MAP

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/29/12

PLATE 1

REV. A DWN. TAN CKD. JAW APPR. JPD

SCALE: AS NOTED

SHEET 1 OF 5



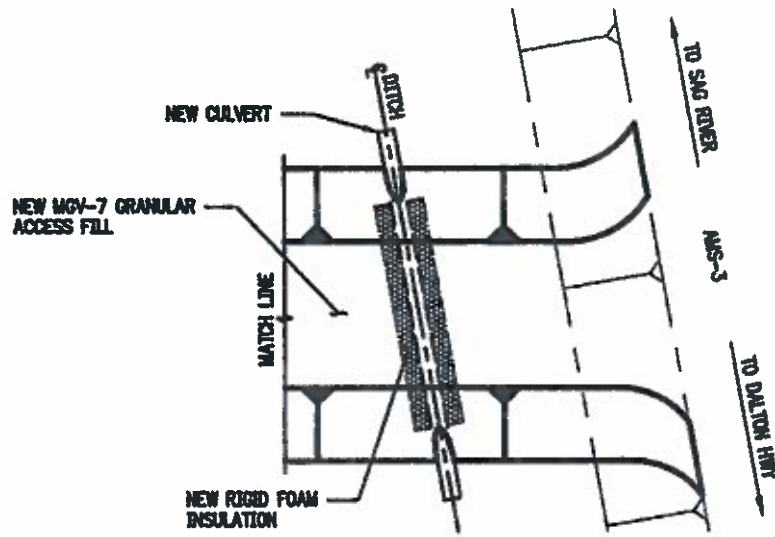
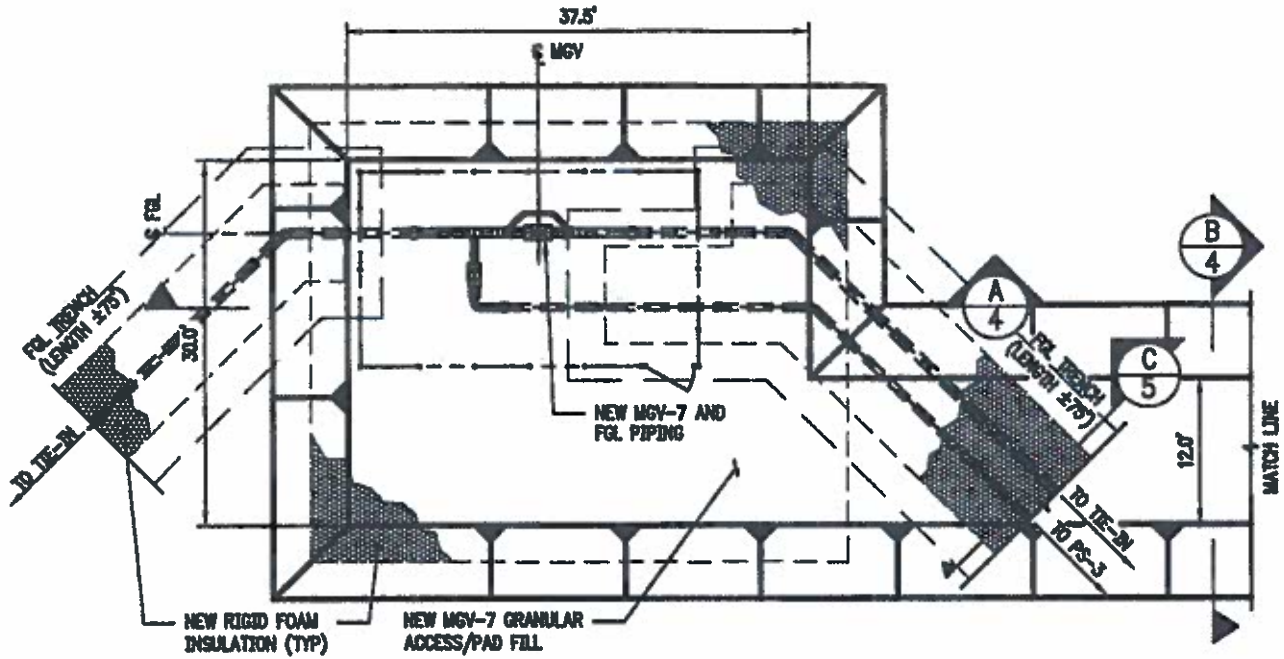
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PLAN
SCALE: 1" = 15'

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-7 REPLACEMENT
PLAN

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/29/12 PLATE 3

REV. A	DWN. TAN	CKD. JAW	APPR. JPD
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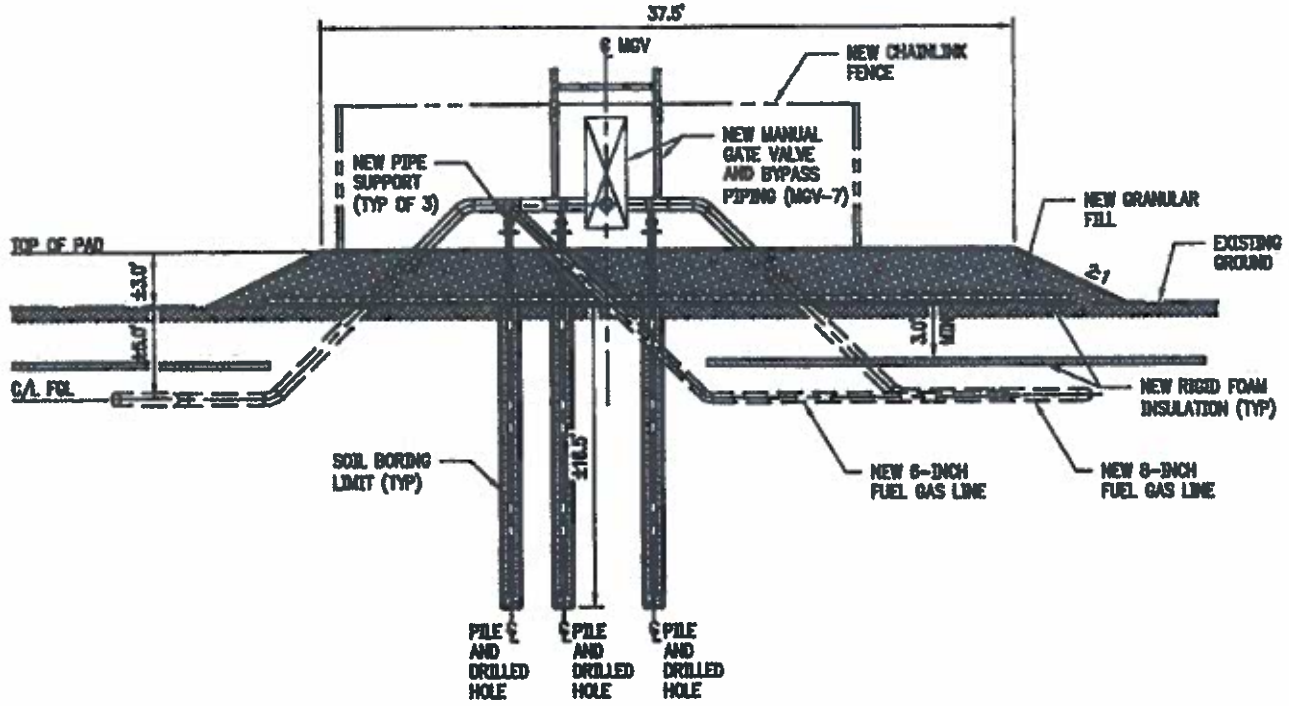
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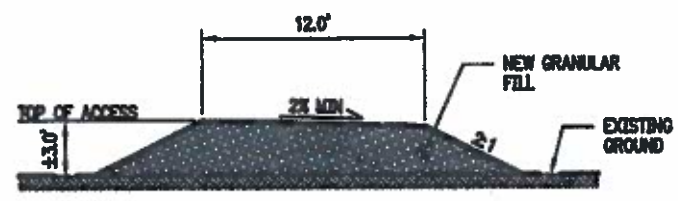
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SECTION - MGV-7 PAD A
3
SCALE: 1"=10'



SECTION - MGV-7 ACCESS B
3
SCALE: 1"=10'

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-7 REPLACEMENT
SECTION

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/29/12

PLATE 4

REV. A	DWN. TAN	CKD. JAW	APPR. JPD
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SHEET 4 OF 5

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ESTIMATED FILL QUANTITIES

	AREA (SF)	VOLUME (CY)
FGL TRENCH EXCAVATION (QTY 2, BACKFILLED WITH EXCAVATED SOIL)	2,500	330
FGL STOPPLE EXCAVATION (QTY 2, BACKFILLED WITH EXCAVATED SOIL)	1,350	135
MGV-7 ACCESS/PAD (IMPORTED GRANULAR FILL)	3,100	300

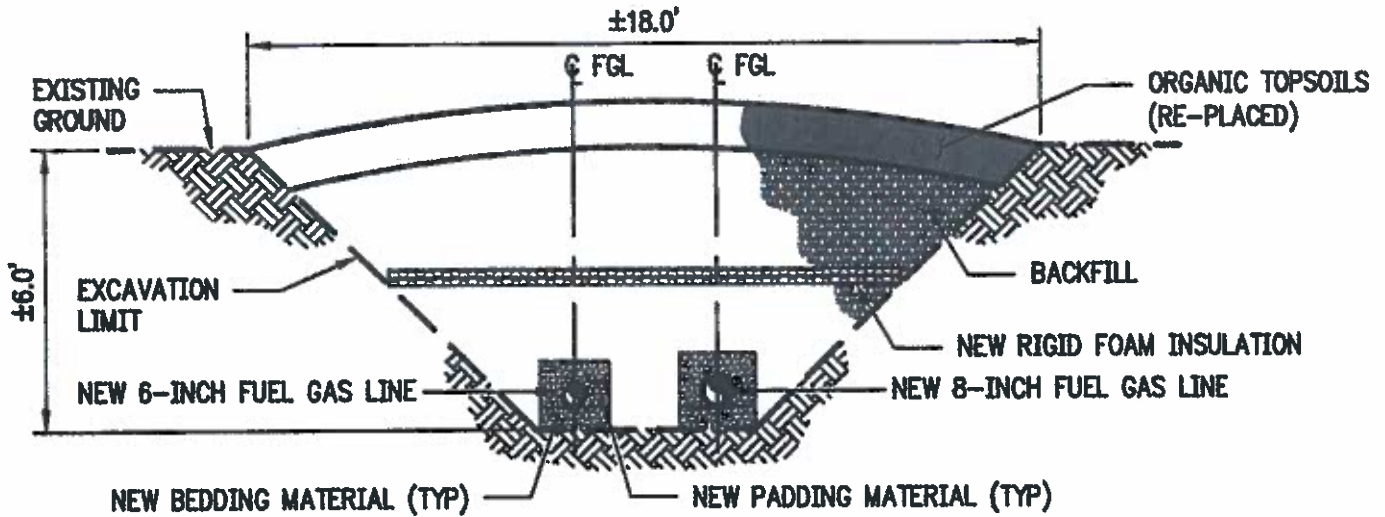
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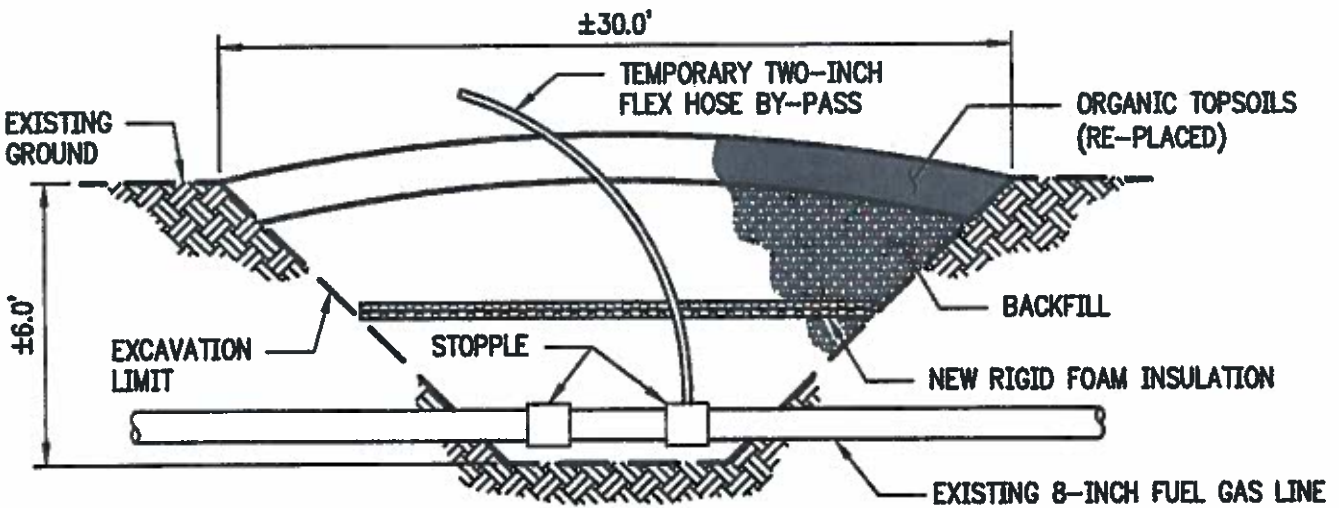
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SECTION - FGL TRENCH EXCAVATION

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3

SCALE: NTS



SECTION - FGL STOPPLE EXCAVATION

D
2

SCALE: NTS

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-7 REPLACEMENT
SECTION

TRANS ALASKA PIPELINE SYSTEM

DATE: 05/29/12

PLATE 5

REV. A DWN. TAN CKD. JAW APPR. JPD

SCALE: AS NOTED

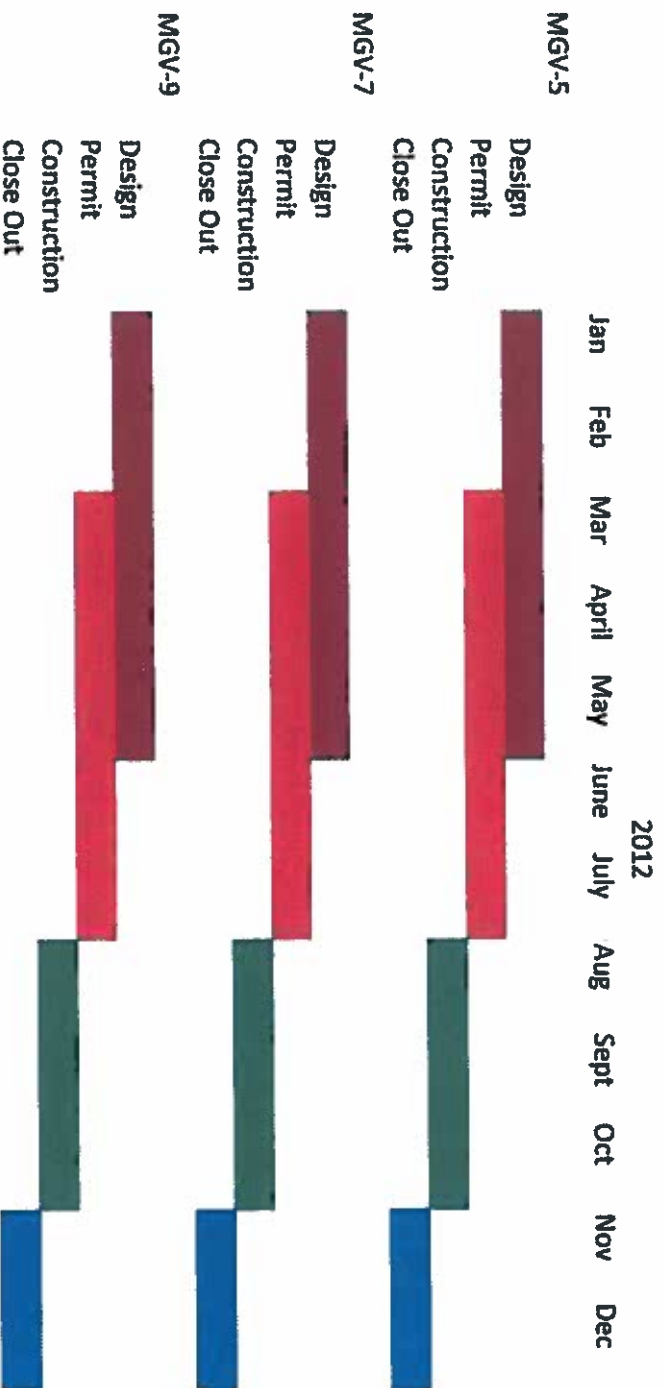
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Trans Alaska Pipeline System, Alyeska F802 Project Schedule



**Trans Alaska Pipeline System, Fuel Gas Line 2012 Manual Gate Valve Replacements (F802)
STIPULATION MATRIX (Revision 0)**

Section	Stipulation Description	Demonstration of Compliance			Alaska Document	Req'd. Approval		Permit/ Variance
		NTPA	Drawings	Specifications		Written	Field	
1.7.1.1	Permission to Construct						X	NTP
1.7.1.2	Issuance of NTP	Stipulation Matrix						
1.7.2.1	Submission of Preliminary Design		X	X				NTP
1.7.4.1	NTP Applied for has FAO Approval of Prelim. Design for Pipeline Segment	X						
1.7.4.2	Survey Centerline		X					
1.7.4.3	NTPA Supporting Data	schedule	X	X				
1.9.1	Engagement of Archaeologist				GL-2 & 2005 Prog. Agmt			
1.9.2	Encouraging of Sites - Investigation				EN-43, GL-2 & 05 Prog. Agmt			
1.9.3	Copies of Investigation Reports				GL-2 & 05 Prog. Agmt			
1.11.1	Protection of Existing Facilities		X	X	MR-48 & FG-78	X		Utility Permit
1.12.1	Regulation of Public Access to Access Rds.	n/a						
1.13	Electronic Operated Devices	n/a						
1.14.1	Posting Right-of-Way				Completed, EN-43			
1.14.2	Chief Personnel on Fish & Game Regs.				ENV-003, EN-43-005			
1.15.1	Prohibit Obstruction to Passage of Small Craft		X					
1.16.1	Marking and Protecting Monuments				SR-55, Sec. 5.23.2			
1.16.2	Monument Restoration				SR-55, Sec. 5.23.2			
1.17.1	Fires				EN-43, Sec. 3.7			
1.18.1	Surveillance-Maintenance				MS-31			
1.18.3	Records				QA-38			
1.19.1	Housing and Quarters				On Request			
1.20.1	Health and Safety				SA-38			
2.1.1	Environmental Briefing				EN-43-002			
2.2.1.1	Pollution Control				EN-43-006			
2.2.2.1	Compliance with Water Quality Stats				EN-43-004			
2.2.2.2	Use of Mobile Ground Equipment in water	n/a						
2.2.6.2	Removal of Waste				EN-43-008			
2.4.1.3	Erosion Control Facilities				MIR-48-009,23			
2.4.3.1	Erosion Control at Streams	n/a						
2.4.3.2	Temporary Access Over Stream Banks	n/a						
2.5.1.1	Uninterrupted Movement and Safe Passage of Fish	n/a						
2.5.2.2	Avoid Channel Changes in Fish Spawning Areas	n/a						
2.5.2.3	Protect Fish Spawning Beds from Sediment	n/a						
2.5.2.4	Special Regs.'s to Protect Spawning Beds	n/a						
2.6.1.1	Material Purchase							Permit Acquisition Guidelines
2.6.1.3	Excavation in River Beds	n/a						
2.6.2.1	Layout of Material Sites	n/a						

**Trans Alaska Pipeline System, Fuel Gas Line 2012 Manual Gate Valve Replacements (F802)
STIPULATION MATRIX (Revision 0)**

Section	Stipulation Description	Demonstration of Compliance			Alaska Document	Req'd. Approval		Permit/ Variance
		NTPA	Drawings	Specifications		Written	Field	
2.7.1.1	Clearing Boundaries	n/a						
2.7.2.2	Tree Cutting	n/a						
2.7.2.3	Tree Felling Areas	n/a						
2.7.2.4	Hand Clearing	n/a						
2.7.2.5	Debris Removal			X	MR-48, Sec 14, 22, 23			
2.8.1	Disturbance of Natural water	n/a						
2.9.1	Oper. of Mobile Ground Equip. Off ROW	X	X	X	Master Spec C-415	X		right of entry
2.11.1	Plan for Using Explosives	n/a						
2.12.1	Restoration of Disturbed Land			X	MR48, sec 14; EN-43-005			
2.12.4	Disposal of Vegetation and Overburden				MR48 sec. 14; EN-43-003			
2.13.1	Notice of Oil Discharge				ODPCP, EN-43			
2.13.2	Immed. Notice of Discharge From Any Storage Facility				ODPCP, EN-43			
2.14	Contingency Plan				ODPCP, EN-43			
3.2.2.2	Min. Injury to Ground Organic Layer	n/a	X					
3.2.2.4	Continuous Inspection				QIP, AMS-004-01 Sec 2			
3.4	Earthquake and Fault Displacements				DB - 180			
3.6.1.1	Pipeline Designed for Hydrologic and Hydraulic Effects	n/a			DB - 180			
3.6.1.1.2	Bases of Design Flood	n/a						
3.6.1.1.5	Protection Against Channelization in Flood Plains	n/a						
3.9.1	Construction to Minimize Thermal and Environmental Changes	X	X	X				NTP
3.9.2	Construction and Operations	n/a						
3.10	Pipeline Corrosion	X		X	DB - 180			
3.11	Secondary Containment at Tank Farms							

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
STATE PIPELINE COORDINATOR'S OFFICE
411 WEST 4TH AVENUE, SUITE 2
ANCHORAGE, ALASKA 99501
(907) 269-6403

NOTICE OF RIGHT-OF-WAY AMENDMENT APPLICATION
TRANS-ALASKA PIPELINE SYSTEM – ADL 63574
FUEL GAS LINE MANUAL GATE VALVE REPLACEMENTS

Subject to the provisions of Alaska Statutes (AS) 38.35.015 and AS 38.35.070 and pursuant to the regulations promulgated thereunder, the State Pipeline Coordinator's Office hereby gives notice that Alyeska Pipeline Service Company, as agent for the Trans-Alaska Pipeline System (TAPS) lessees, submitted a request to amend the Right-Of-Way Lease for the Trans-Alaska Pipeline, ADL 63574, to add approximately 0.78 acres of land adjacent to the Dalton Highway at two locations.

The purpose of the request is to replace two existing below ground valve sets on the TAPS Fuel Gas Line (FGL), as part of TAPS Project F802. FGL Manual Gate Valves (MGV) No. 5 and No. 7 will be replaced with above ground valve sets that will be set further from the highway on new gravel pads to ensure adequate distance from the highway to prevent vehicular damage. The project will increase the long term integrity of the new pipe and valve sets. Access workpads will be constructed from the Dalton Highway to the new valve sites and vehicle gates will be installed to control access.

The lands are generally described as:

FGL MGV No. 5

Township 2 South, Range 14 East, Umiat Meridian, Alaska,
Section 21, NW4, lands immediately adjacent to the existing TAPS right-of-way and the Dalton Highway at milepost 342.1, containing approximately 0.24 acres, and

FGL MGV No. 7

Township 7 South, Range 14 East, Umiat Meridian, Alaska,
Section 9, SW4, and Section 16, NW4, lands immediately adjacent to the existing TAPS right-of-way and the Dalton Highway at milepost 311.7, containing approximately 0.54 acres.

Pursuant to AS 38.35.070(3), copies of the notice or application will be furnished, at cost, to persons requesting them.

AS 38.35.200 governs judicial review of decisions of the commissioner:

38.35.200. Judicial review of decisions of commissioner on application.

(a) An applicant or competing applicant or a person who has direct financial interest affected by the lease who raises objections within 60 days of the publication of notice under AS 38.35.070 are the only persons with standing to seek judicial review of a decision of the commissioner under AS 38.35.100.

(b) The only grounds for judicial review of a decision of the commissioner are

- (1) failure to follow the procedures set out in this chapter; or
- (2) abuse of discretion so capricious, arbitrary, or confiscatory as to constitute a denial of due process.

Any objections pursuant to AS 38.35.200 must be submitted to the State of Alaska, Department of Natural Resources, State Pipeline Coordinator's Office, via letter, email or facsimile before 5:00 p.m. on July 30, 2012:

State Pipeline Coordinator's Office
411 West 4th Avenue, Suite 2
Anchorage, AK 99501-2343
Phone: (907) 269-6403 Fax: (907) 269-6880
E-Mail: spco.records@alaska.gov

The State of Alaska, Department of Natural Resources, State Pipeline Coordinator's Office, complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, or special modifications to participate in this review may call 269-8411 TTY/TTD. Please provide sufficient notice in order for the Department to accommodate your needs.

The State Pipeline Coordinator's Office reserves the right to waive technical defects in this publication.

/s/ Frederick M. Thompson
State Pipeline Coordinator

Publish May 31, 2012

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
STATE PIPELINE COORDINATOR'S OFFICE**

**ANALYSIS OF AMENDMENT APPLICATION
AND
PROPOSED DECISION**

**ADL 63574
TRANS-ALASKA PIPELINE SYSTEM
FUEL GAS LINE MANUAL GATE VALVE REPLACEMENTS**

Proposed Action: Alyeska Pipeline Service Company (APSC), agent for the Trans-Alaska Pipeline System (TAPS) lessees, has requested an amendment to modify the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574. The purpose of the amendment is to add approximately 0.78 acres of land adjacent to the Dalton Highway to replace two existing below ground valve sets on the TAPS Fuel Gas Line (FGL) and make modifications to the Pump Station 3 Lateral Piping, as part of TAPS Project F802. FGL Manual Gate Valves (MGV) No. 5 and No. 7 will be replaced with above ground valve sets that will be set further from the highway on new gravel pads to ensure adequate distance from the highway to prevent vehicular damage. The project will increase the long term integrity of the new pipe and valve sets. Access workpads will be constructed from the Dalton Highway to the new valve sites and vehicle gates will be installed to control access.

The lands proposed to be added to the right-of-way are generally described as:

FGL MGV No. 5

Township 2 South, Range 14 East, Umiat Meridian, Alaska,
Section 21, NW4, lands immediately adjacent to the existing TAPS right-of-way and
the Dalton Highway at milepost 342.1, containing approximately 0.24 acres, and

FGL MGV No. 7 and Pump Station 3 Lateral Piping

Township 7 South, Range 14 East, Umiat Meridian, Alaska,
Section 9, SW4, and Section 16, NW4, lands immediately adjacent to the existing
TAPS right-of-way and the Dalton Highway at milepost 311.7, containing
approximately 0.54 acres.

The lands needed to accommodate the new above ground valve sets and Pump Station 3 lateral piping after construction will be less than those described above. APSC will submit a post-construction as-built drawing showing precisely the new right-of-way boundary. This additional land will be necessary to support the existing pipeline system as defined in AS 38.35.230(7) and authorized by the existing RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574.

Authority: AS 38.35.015, the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, and the Right-of-Way Amendment case file are the authorities for this decision.

Administrative Record: The RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574 constitutes the administrative record used in making this decision.

Background: On May 31, 2012, the State Pipeline Coordinator's Office received an application from APSC to amend the lease to include the above-described lands for the purpose of replacing the FGL MGVs No. 5 and No. 7 with above ground valve sets and constructing the necessary gravel workpads for access, as well as make modifications to the Pump Station 3 Lateral line.

The work at FGL MGVs No. 5 and No. 7 is covered by APSC Project F802 and will include installation of above ground valve sets at two separate locations of the FGL at Dalton Highway mileposts 342.1 and 311.7. The work scope for Project F802 consists of:

1. Five Stopple Excavations
2. Excavation and removal of two below ground MGVs and one Pump Station 3 Lateral Valve
3. Development of gravel pads at the new valve sites
4. Development of a workpads for access from the Dalton Highway to valve sites
5. Installation of two above ground valve sets
6. Installation of a vehicle gates on the workpad to control access
7. Installation of a temporary carrier pipe to continue gas supply to Pump Station 3
8. Completion of an As-Built survey

Two lengths of trenching will be required for the installation of the off-setting pipe at both MGV No. 5 and No. 7 sites. There will be two excavation holes for stopple work at MGV No. 5 and three at the MGV No. 7 and Pump Station 3 Lateral Line site. Excavations along the pipe for stopple equipment will be approximately 30 feet long by 15 feet wide at the surface, sloping inward to a depth of six feet. Excavations will extend below the pipe for purposes of welding, and will remain open until recoating is complete. A two inch diameter carrier pipe inside a six inch casing pipe will be installed by on a temporary basis across the highway to maintain Pump Station 3 service.

Access workpads roads will be constructed at the extended MGV sites using clean gravel. The pads will be level with the highway elevation, which should correlate to three to four feet above the surrounding tundra grade. The chain-link fencing will be installed around the new above-ground valve sites and gates will be installed to control vehicle access.

The existing valve sets and its bypass piping will be removed from the ground prior to ground restorations activities, with the exception of the existing four inch lateral pipe that crosses the highway. Additionally, on June 22, 2012 APSC submitted a minor modification to the Project Narrative, dated May 2012, requesting to also leave in place two 100 foot segments of the out-of-service eight inch mainline piping at each valve site. Leaving the piping in place at these locations will minimize highway encroachment and surface disturbance. All piping left in place will be purged of gas and the ends welded closed. The left-in-place piping will be depicted on the As-Built survey along with the new piping and valves. APSC's underground marking process will also be used to identify all piping in the area for any third party needing location information. The updated plan

drawings are included as attachments to this proposed decision.

Approval to leave-in-place the retired segments of the buried pipe does not alleviate the lessee from Stipulation 1.10 of the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574. The retired segments of piping will continue to be located within the boundary of the Right-of-way. No portion of the Right-of-Way will be relinquished as part of the proposed amendment. The State Pipeline Coordinator's Office may determine in the future it is necessary to excavate and remove the retired piping.

Backhoes, pick-up trucks, boom-trucks/cranes, and ancillary equipment common to APSC excavations are expected to be used. Trenching activities will be performed by construction vehicles travelling on tundra mats only. A traffic control plan will be implemented using signs, flaggers, lane closures, barriers, and other contractor designed traffic controls.

Title: The State of Alaska received Tentative Approval to the land and mineral estate within Section 21, T. 2 S., R. 14 E., U.M. pursuant to general grant selection (GS-5308) on August 19, 1992.

The State of Alaska received Tentative Approval to the lands within Sections 9 and 16, T. 7 S., R. 14 E., U.M. pursuant to general grant selection (GS-5323) on August 19, 1992.

Planning and Classification: The lands encompassed by this application were classified as Transportation Corridor (TRC) under classification, NC-02-002; are subject to ADL 50666, North Slope Area Special Use Lands; and are within the Dalton Highway corridor (AS 19.40.010). These lands are closed to mineral entry by one or more of the following Mineral Closing Orders (MCO): MCO 529 dated October 2, 1987, MCO 790 dated October 16, 2002, and MCO 67 dated September 26, 1977. The lands are subject to Leasehold Location Order (LLO) 32, effective November 3, 2011.

A land classification establishes the apparent best use of an area, but all other uses are presumed as compatible unless otherwise prohibited. According to 11 AAC 55.205, land classified as a transportation corridor is land that is identified for the location of easements and rights-of-way under AS 38.04.065 (f), including transportation, pipeline, or utility corridor purposes, or is under consideration for a right-of-way lease. Classification NC-02-002 did not prohibit the proposed use for the lands in the subject area and the proposed use is compatible under the classification.

ADL 50666, North Slope Area Special Use Lands, under 11 AAC 96.014, designates all lands in the Umiat Meridian as "special use lands." This designation as special use lands requires that, in addition to permitting requirements under 11 AAC 96.010, a permit is required for motorized vehicle use, unless that use is for subsistence purposes or is on a graveled road. This requirement does not prohibit the development of lands within the Umiat Meridian and does not prohibit the installation of the below ground valve sets.

The designated area for the Dalton Highway corridor (AS 19.40) does not prohibit the installation of

the new pipe and valve sets. Pursuant to AS 19.40.200(a), the state may not dispose of state land under AS 38 that is within five miles of the highway right-of-way. However, AS 19.40.200(b)(4) states the prohibition on disposal of state land under (a) of this section does not apply to a disposal for lands necessary for exploration, development, production or transportation of oil or gas of this section. The proposed new pipe and above ground valve sets will provide improvements to the integrity of TAPS and is consistent with the management intent of the area for resource management. There is nothing in the classification, special use designation, or the Dalton Highway corridor designation that prohibits the issuance of this right-of-way amendment for these purposes.

Third Party Interests: The following third party interests that may be affected by the proposed activities were identified and will be provided a copy of the Public Notice of this Analysis and Proposed Decision.

Alaska Gasline Development Corporation
ADL 418997 – Pipeline Right-of-Way Lease

The right-of-way lease for the planned Alaska Stand Alone Gas Pipeline/ASAP parallels the TAPS Fuel Gas Line right-of-way, within or adjacent to the Dalton Highway right-of-way.

Alaska Department of Transportation and Public Facilities
ADL 414760 – Material Sale

The boundary of the Material Sale area encompasses the MGV No. 5 site. The proposed activities will not conflict with the existing mined area of the material site.

Alyeska Pipeline Service Company
ADL 415102 – Transferred Federal Entry / Pipeline Right-of-Way

A right-of-way for 125 APL/AMS-3 access road is located just north of the MGV No. 5 site.

Alyeska Pipeline Service Company
ADL 415089 – Transferred Federal Entry / Pipeline Right-of-Way

A right-of-way for 120 APS/AMS 3 access road is located at the MGV No. 7 site.

Public/Agency Notice: On June 15, 2012, the State Historic Preservation Office determined that no historic properties were affected by this proposed action and provided confirmation of their determination to the State Pipeline Coordinator's Office.

Notice of the Right-of-Way Amendment Application was published in the Anchorage Daily News, Fairbanks Daily News Miner, and on the State of Alaska, and State Pipeline Coordinator's Office On-Line Public Notice web pages on May 31, 2012. In accordance to AS 38.35.070(2), a copy of the application was filed on May 31, 2012 with the following coordinate agencies: Alaska Department of Environmental Conservation, Department of Labor and Workforce Development, Department of Transportation and Public Facilities, and the Regulatory Commission of Alaska. Notice of the application was advertised in the Anchorage Daily News and the Fairbanks Daily News-Miner and was sent for posting in the Coldfoot, Fairbanks Downtown, Prudhoe

Bay/Deadhorse, and Nuiqsut Post Offices. It was also posted on the State of Alaska, and State Pipeline Coordinator's Office On-Line Public Notice web pages.

Public notice of this Analysis and Proposed Decision will be advertised in the Anchorage Daily News and the Fairbanks Daily News-Miner. It will be sent for posting in the Coldfoot, Fairbanks Downtown, Prudhoe Bay/Deadhorse, and Nuiqsut Post Offices and posted on the State of Alaska, and State Pipeline Coordinator's Office On-Line Public Notice web pages.

If public comment indicates the need for significant changes in the proposed decision, additional public notice will be given on or about August 1, 2012. If no significant change is required, the proposed decision, including any minor changes, will be issued as the final decision of the Department of Natural Resources after July 30, 2012, without further notice.

Analysis: AS 38.35, the Alaska Right-of-Way Leasing Act, sets forth the procedures by which certain right-of-way leases are granted by the State of Alaska and the conditions under which they can be amended. Pursuant to AS 38.35.015, the Commissioner has the power to grant leases of state land for pipeline right-of-way purposes.

AS 38.35.020(a) requires the applicant obtain a right-of-way lease of state land from the Commissioner. Although the request for authorization to develop this project is consistent with the original purpose of the lease, the proposed amendment requires a disposal of an interest in state land beyond what was included during the original adjudication. An amendment to the lease is required when there is a need for a disposal of an interest in state land or resources beyond what was reviewed and approved during the original adjudication.

The requested action proposes to construct and maintain on state land, new piping and above ground Fuel Gas Line Manual Gate Valves, which is defined by Stipulation 1.1.1.36(11) of the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, as a Related Facility, the substantial and continuous use of which is necessary for the operation or maintenance of the TAPS pipeline.

The terms, conditions, and stipulations contained in the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, will apply to these lands if added to the lease. APSC will be subject to the terms, conditions and reservations set forth in the Right-of-Way Lease.

Findings: The removal of the below ground Manual Gate Valves and the installation of the new pipe and above ground valves is integral to the protection of the pipeline. Locating the valves further from the highway will reduce the risks of vehicular damage and will ensure the long term integrity of the new pipe and valve sets being installed.

The installation of these above ground valve sets and development of a gravel workpad are activities governed by and administratively provided for in the lease. The proposed installation of the above ground valve sets will be a "Related Facility" as defined by the lease and it will be managed under the lease. The proposal to add the above-described lands to the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, is consistent with the lease.

The terms, conditions and stipulations contained in RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, adequately address and protect the interest of the State of Alaska. The lessee is required to secure all necessary permits or authorizations required by other state and federal agencies.

The exact locations have not yet been surveyed and the legal land descriptions are a necessary part of the lease amendment. The Right-of-Way Amendment will require an as-built survey that ties the new above ground gate sets and workpads to the pipeline centerline for review and acceptance by the State Pipeline Coordinator, pursuant to Section 1(e) of the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, as amended.

The addition of these lands to the lease does not constitute a significant amendment to the lease since the impact on State resources will be negligible; the project does not conflict with or significantly change existing use of the land; and, the environmental effect from the placement of the gravel material for the pads and the replacement of below ground valve sets is considered protective of a vital state resource. Approval of the request for the amendment for addition of the described lands is a function of the lease and is consistent with state statutes and terms of the lease.

Proposed Decision: I find that the application to amend the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574 to include the lands described in this proposed decision is in the best interest of the State and does not constitute a significant amendment to the lease. The applicant is not authorized to begin construction activities until a Commissioner's Decision and Final Decision is issued and a Lease Amendment is executed. The Lease Amendment adding the defined State land to ADL 63574 will be completed following construction, and the review and acceptance of the as-built survey.


Chris Grundman
Natural Resource Specialist III

6-28-12
Date


Frederick M. Thompson
State Pipeline Coordinator

6-28-12
Date

- Attachments:
- 1) Trans-Alaska Pipeline System Project F802 – 2012 Fuel Gas Line Manual Gate Valve Replacements Project Narrative (May, 2012) (1 Page)
 - 2) F802 TAPS Fuel Gas Line MGV-5 Replacement Location and Vicinity Map Plates 1 - 5, Updated 6/21/12 (5 Pages)
 - 3) F802 TAPS Fuel Gas Line MGV-7 Replacement Location and Vicinity Map Plates 1 - 5, dated 6/21/12 (5 pages)

TRANS ALASKA PIPELINE SYSTEM
Project F802 – 2012 Fuel Gas Line Manual Gate Valve Replacements
Project Narrative (May, 2012)

Project Purpose

Project F802 will replace three of the existing Alyeska Pipeline Service Company's fuel gas line (FGL) mainline gate valve (MGV) sets, as well as make modifications to the Pump Station 3 (PS03) Lateral line. The purpose of the project is to replace existing below ground valve sets with above ground valve sets and off-set them further from the highway to ensure adequate distance from the highway to prevent vehicular damage and the long term integrity of the new pipe and valve set being installed.

Location

The project sites are located immediately adjacent to the Dalton Highway a) 74.9 (MGV-5, Dalton Hwy MP 342.1), b) 106.1 (MGV-7 and PS03, Dalton Hwy MP 311.7), and c) 135.3 (MGV-9, Dalton Hwy MP 282.4) miles south of Pump Station 1 on the Trans Alaska Pipeline System.

Work Description

The MGV-5 and MGV-9 sites will require 2 lengths of trenching for installing the off-setting pipe and two excavation holes for stopple work. The MGV-7 and Pump Station 3 Lateral site will have three stopple excavations. The trenching will be performed by construction vehicles travelling only on tundra mats. Excavations for stopple equipment will be 30 feet long by 15 feet wide at the surface (orientation along the pipe), sloping inward to a depth of 6 feet (two for MGV-5 and MGV-9 each, and three for MGV-7 & PS03). At the Pump Station 3 Lateral, 2-inch-diameter carrier pipe inside a 6-in. casing pipe will be installed across the highway to maintain service to the pump station during the project on a temporary basis. The excavations will be typical TAPS fuel gas line excavations extending below the pipe for purposes of welding, and will remain open until recoating is completed.

Each relocated MGV will be supported by 2 vertical supports of 4" diameter, 20' long steel pipes filled with new slurry backfill. Concrete pad with steel platforms and stairs will provide personnel access for valve operations. Clean gravel materials will be used for the construction of the required access workpads. The pads will be level with the elevation of the highway which should correlate to 3 to 4 feet above the grade level of the surrounding tundra. Chain-link fencing will be moved to the new above-ground valve locations and vehicle gates will be installed to control site access.

With the exception of the existing lateral piping crossing the highway at Pump Station 3, the existing valve sets and piping being retired will be physically removed from the ground prior to ground restoration activities. At the highway crossing, the retired piping will be abandoned in-place after being purged of natural gas and capped.

Backhoes, pick-up trucks, boom-trucks/cranes, and ancillary equipment; welding skids, heaters, light plants and equipment common to Alyeska Pipeline excavations are expected to be used. Traffic control, comprising signs, flaggers, lane closures, barriers (Jersey Barricades) and other contractor designed traffic control plans, will be implemented.

Environmental Considerations and Mitigation

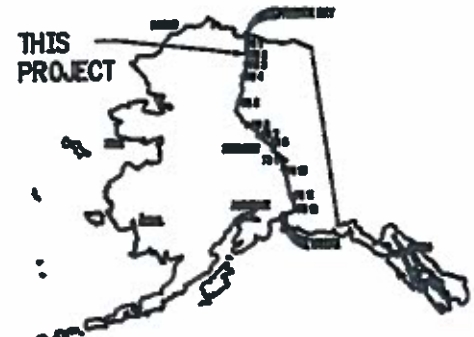
Adjacent to the highway and TAPS workpads, wetland plant communities predominate of the lowland tundra variety which includes mosses, lichens, herbs and low shrubs. The soils in this area consist of organic silt with some sand, gravel mixed with sand, numerous cobbles and scattered boulders.

The excavated material will be temporarily stockpiled on mats as needed to protect the natural ground surface, with the vegetation and organic soils stored separately from the gravel and silt, and then be used to backfill the excavations after the piping is installed and padding fill has been completed. The pad expansions are situated to utilize existing gravel embankments while maintaining vehicular access. When the project is complete, the disturbed areas will be restored to stable slopes approximating the original grade and drainage patterns in accordance with TAPS manual MR-48, section 23 (Erosion Control). Heavy equipment use will be confined to existing TAPS workpad, the new pad expansions and tundra mats. There is very minor loss in the area of waters of the U.S. in an area abundant in such, and no additional mitigation is planned.

Schedule

The field implementation is planned to begin after August 1, 2012, and be substantially complete by November 1, 2012.

THIS PROJECT

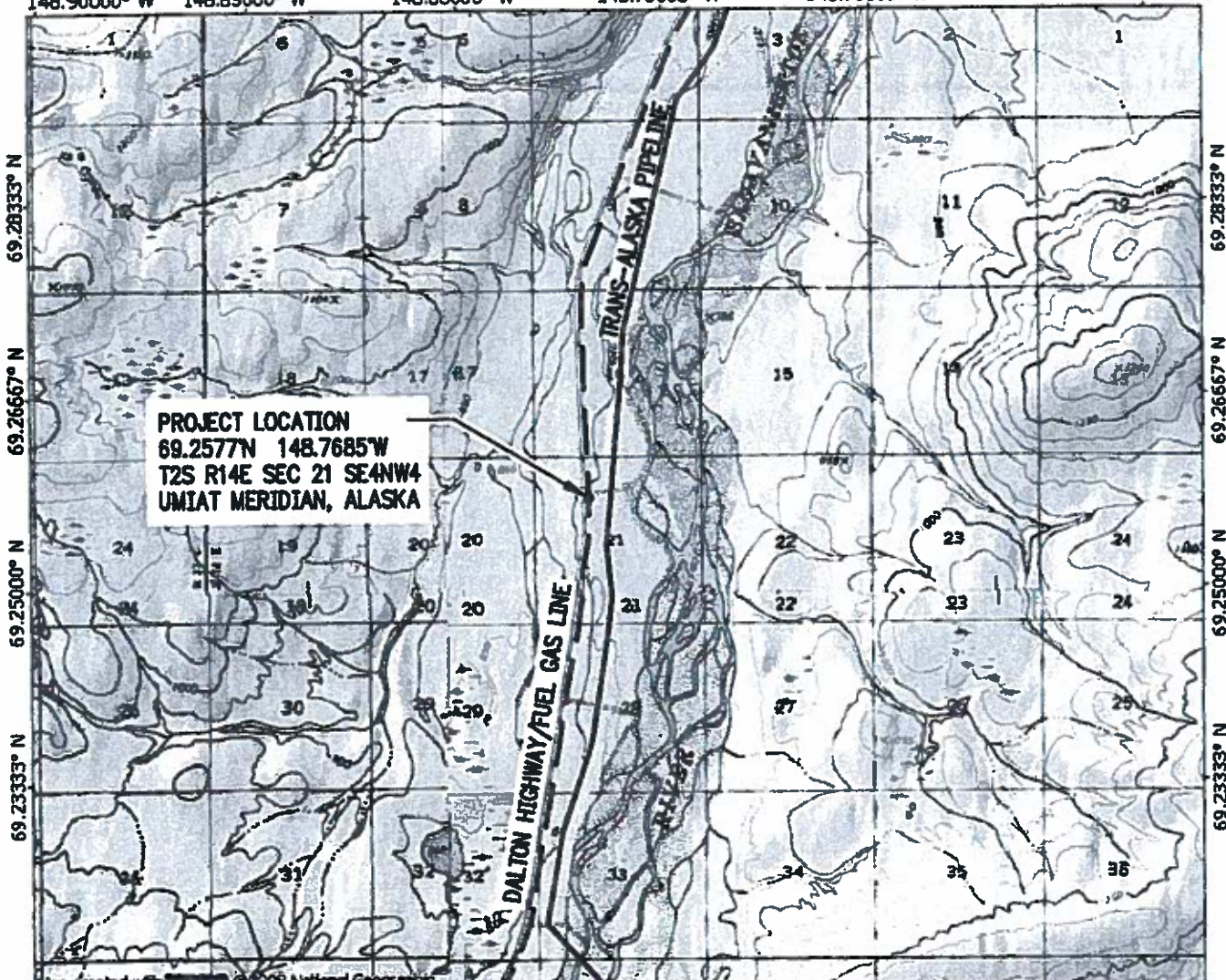


PROJECT SITE INFORMATION

FGL STATION: 3954+86, MP 74.9, AL-15-G100 SH 14
 DALTON HIGHWAY MP 342.1
 LOCATION REFERENCE: 16.9 MILES SOUTH OF PUMP STATION 2

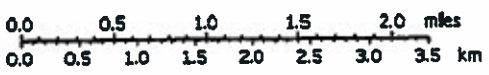


148.90000° W 148.85000° W 148.80000° W 148.75000° W 148.70000° W WGS84 148.63333° N



PROJECT LOCATION
 69.2577°N 148.7685°W
 T2S R14E SEC 21 SE4NW4
 UMIAT MERIDIAN, ALASKA

148.90000° W 148.85000° W 148.80000° W 148.75000° W 148.70000° W WGS84 148.63333° N



TNT MN
 21°
 05/21/12

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
 TAPS FUEL GAS LINE MGV-5 REPLACEMENT
 LOCATION AND VICINITY MAP

TRANS ALASKA PIPELINE SYSTEM

DATE: 06/21/12

PLATE 1

REV. A DWN. TAN CR

SHEET 1 OF 5

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FILE DATE: -

PLOT SCALE: -

FILENAME: -

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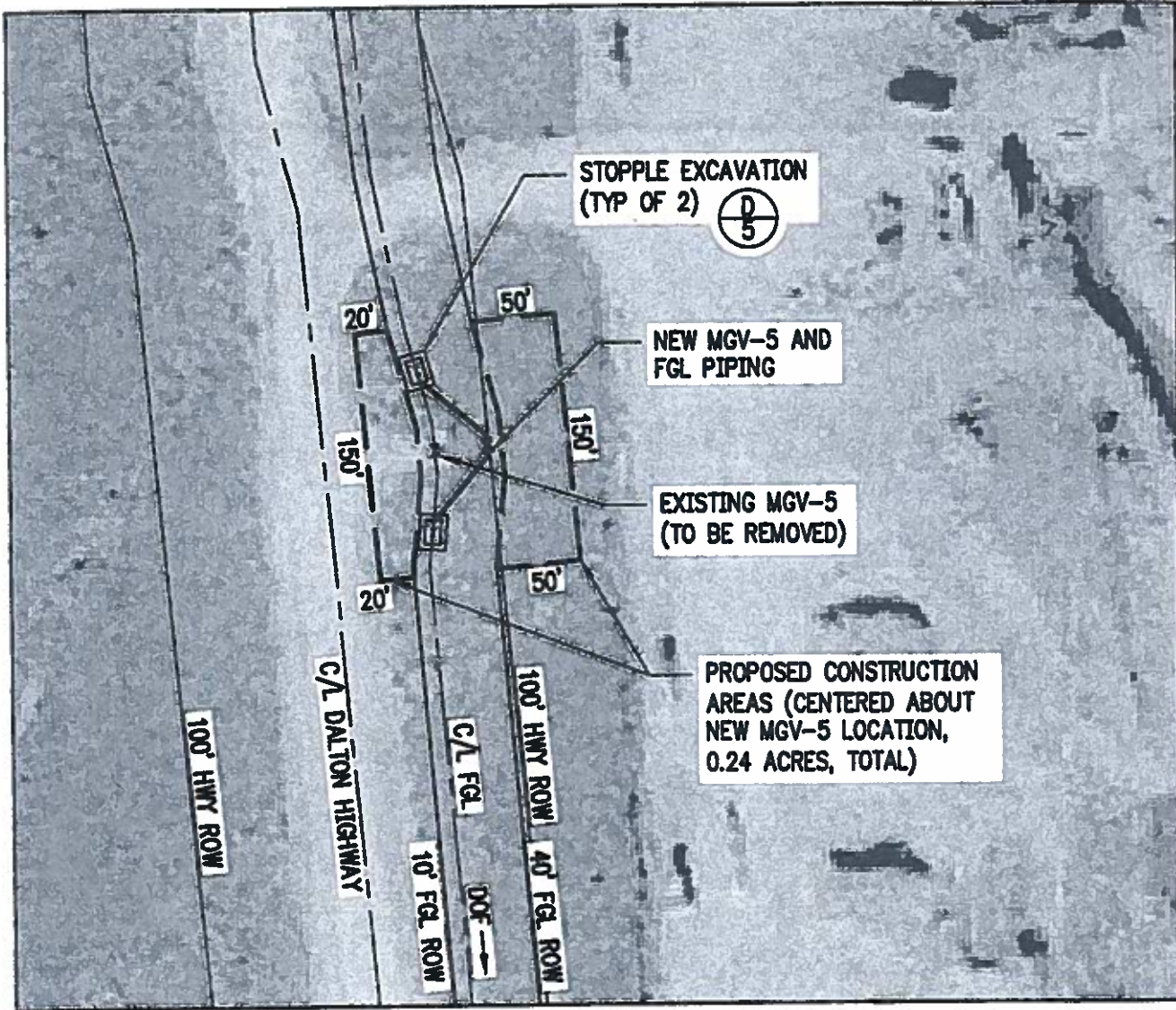
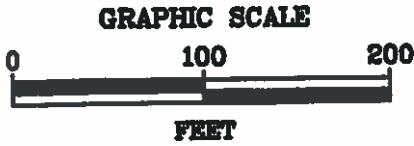


PHOTO DATE: NOT KNOWN

PLAN

SCALE: 1" = 100'

NOTE: CONSTRUCTION AREAS ESTIMATED (IN ACRES) FOR LAND USE PERMITTING.

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-5 REPLACEMENT
PLAN

TRANS ALASKA PIPELINE SYSTEM

DATE: 08/21/12

PLATE 2

REV.

A

DWN. TAN

CKD. JAW

APPR. JPD

SCALE: AS NOTED

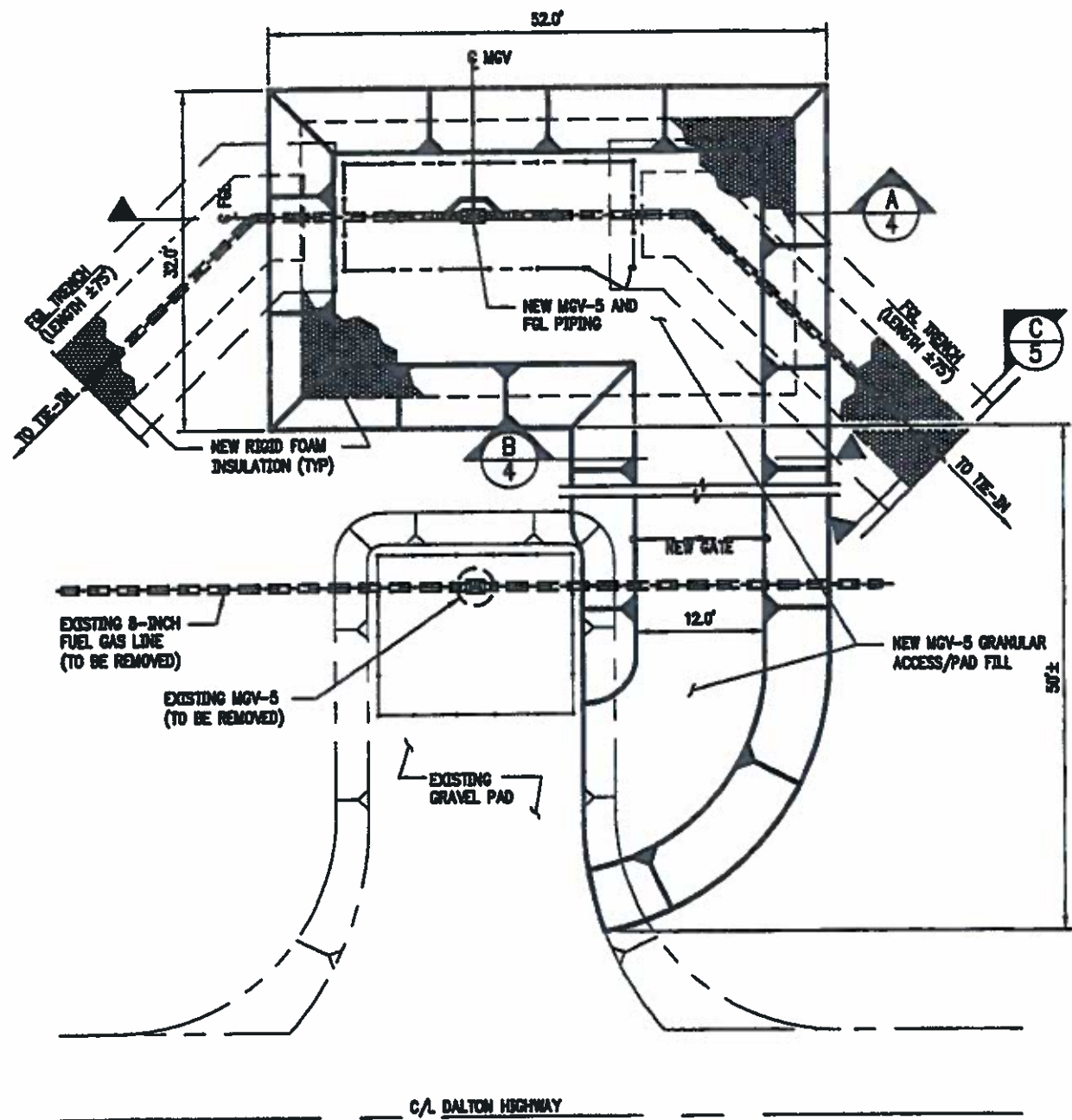
SHEET 2 OF 5

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PLOT SCALE: --

FILENAME: -



PLAN
SCALE: 1" = 15'

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FILE DATE: -

PLOT SCALE: -

FILENAME: -

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-5 REPLACEMENT
PLAN

TRANS ALASKA PIPELINE SYSTEM

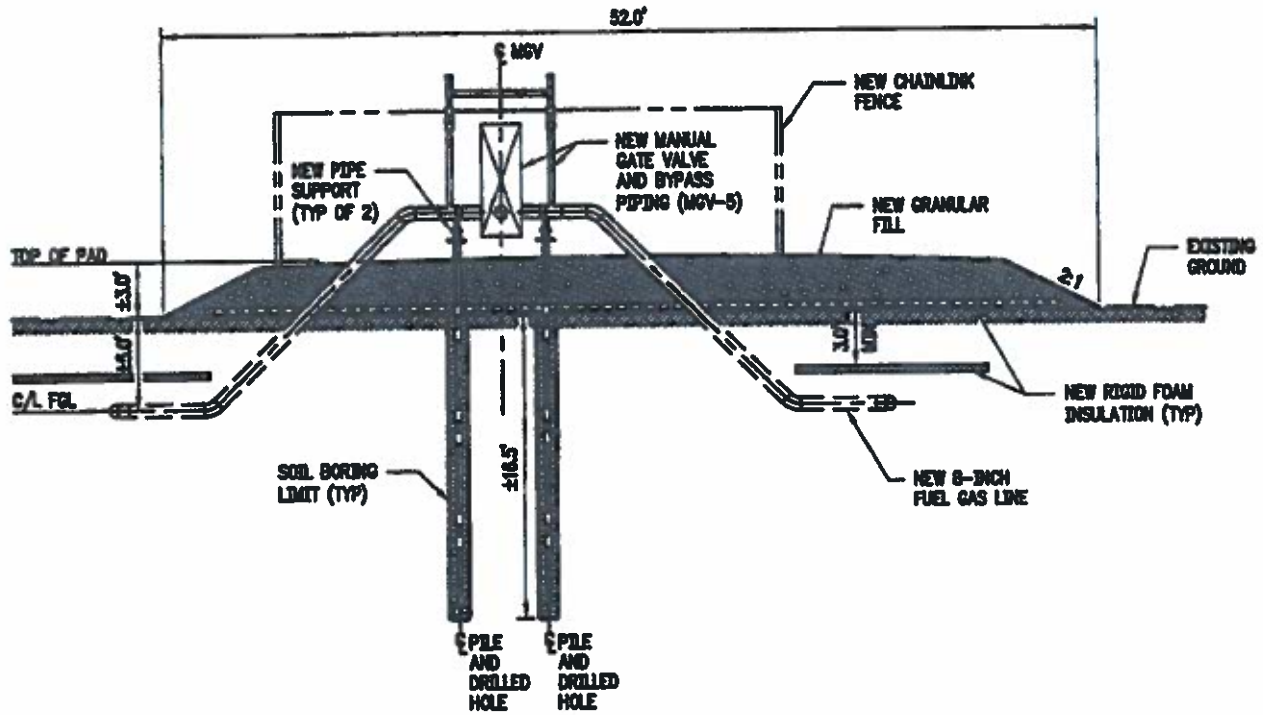
DATE: 06/21/12

PLATE 3

REV.	A	DWN. TAN	CKD. JAW	APPR. JPD
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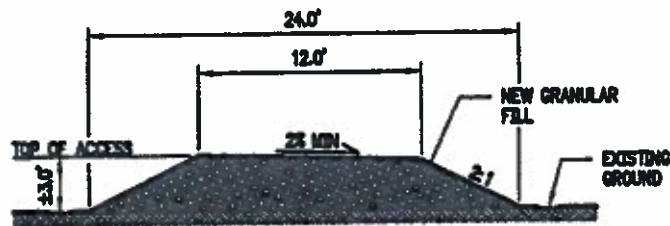
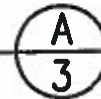
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SHEET 3 OF 5



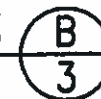
SECTION - MGV-5 PAD

SCALE: 1"=10'



SECTION - MGV-5 ACCESS

SCALE: 1"=10'



ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-5 REPLACEMENT
SECTION

TRANS ALASKA PIPELINE SYSTEM

DATE: 06/21/12

PLATE 4

REV.

A

DWN. TAN

CKD. JAW

APPR. JPD

SCALE: AS NOTED

SHEET 4 OF 5

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AFFECTED BY:

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AFFECTED BY:

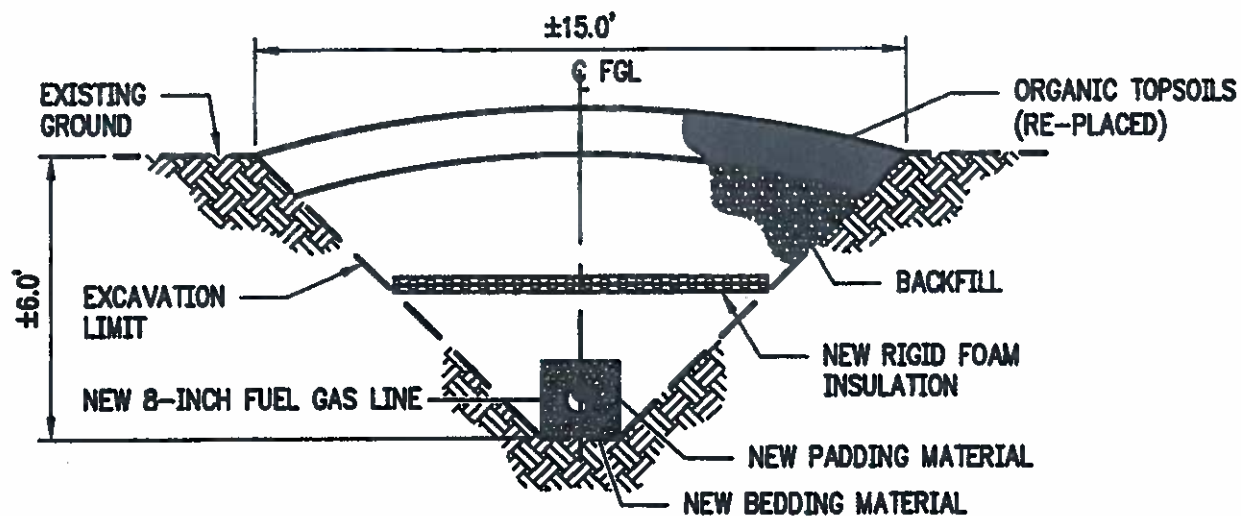
FILE DATE: -

PLOT SCALE: -

FILENAME: -

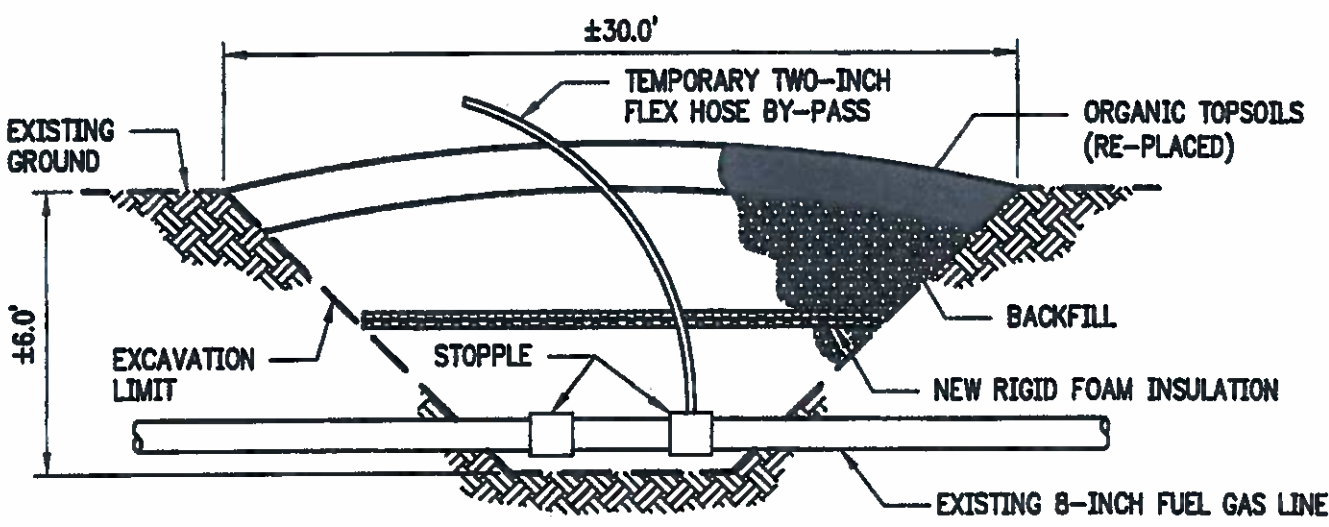
ESTIMATED FILL QUANTITIES

	AREA (SF)	VOLUME (CY)
FGL TRENCH EXCAVATION (QTY 2, BACKFILLED WITH EXCAVATED SOIL)	2,000	280
FGL STOPPLE EXCAVATION (QTY 2, BACKFILLED WITH EXCAVATED SOIL)	900	90
MGV-5 ACCESS/PAD (IMPORTED GRANULAR FILL)	3,100	300



SECTION - FGL TRENCH EXCAVATION C
3

SCALE: NTS



SECTION - FGL STOPPLE EXCAVATION D
2

SCALE: NTS

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-5 REPLACEMENT
SECTION

TRANS ALASKA PIPELINE SYSTEM

DATE: 06/21/12 PLATE 5

REV.	A	DWN. TAN	CKD. JAW	APPR. JPD	SCALE: AS NOTED	SHEET 5 OF 5
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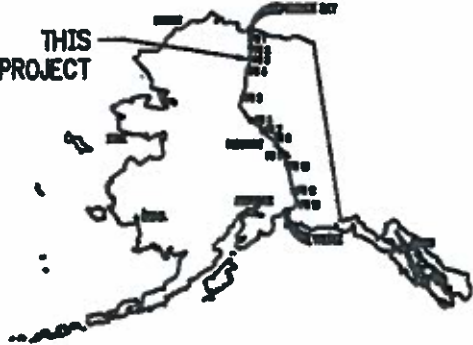
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FILE DATE: -

PLOT SCALE: -

FILENAME: -

THIS PROJECT



PROJECT SITE INFORMATION

FGL STATION: 5602+23, MP 106.1, AL-15-G100 SH 20
 DALTON HIGHWAY MP 311.7
 LOCATION REFERENCE: AT ENTRANCE TO PUMP STATION 3 FROM DALTON HIGHWAY

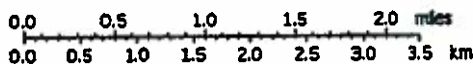
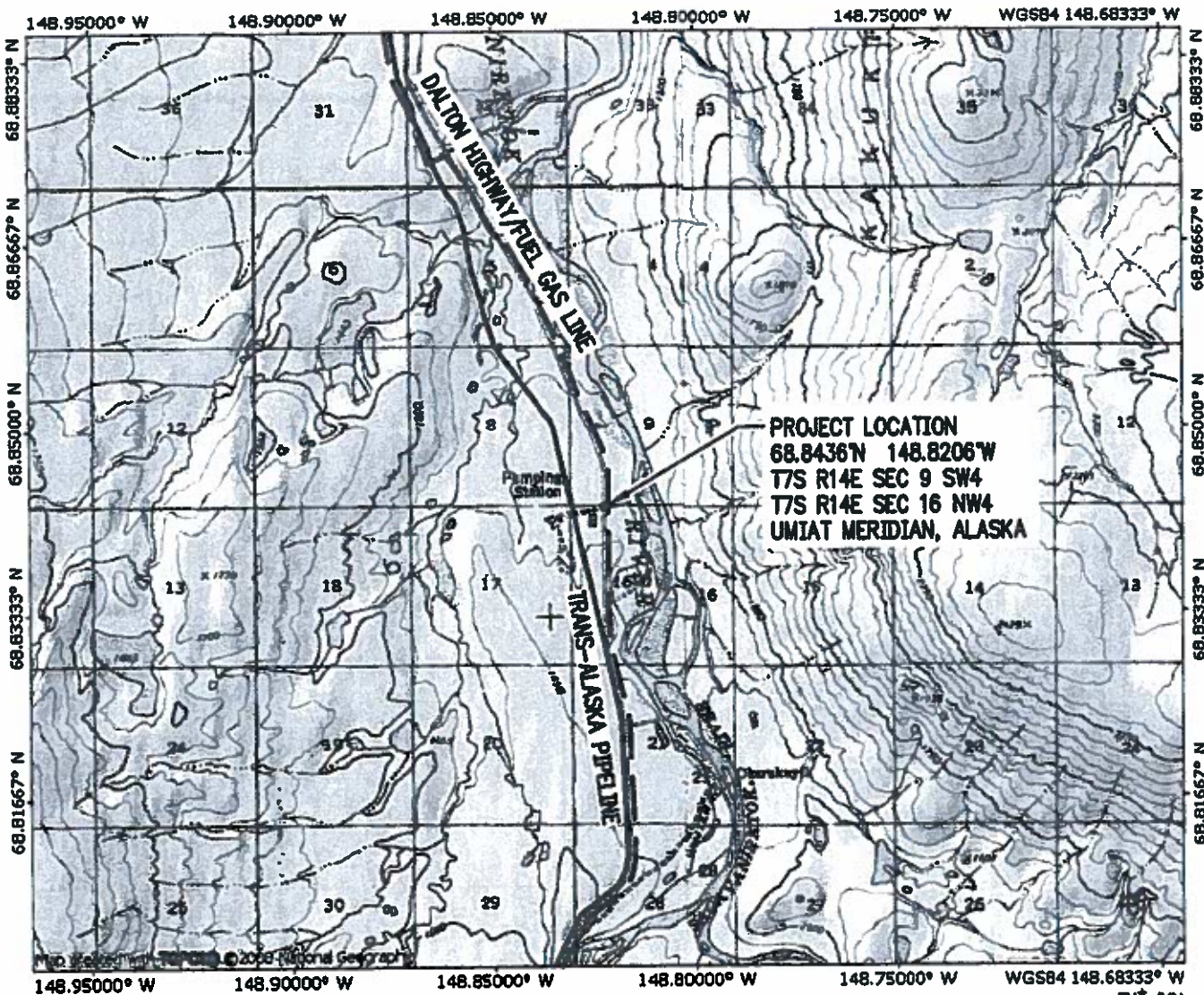


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TN
MN
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05/21/12

FILE DATE: -
PLOT SCALE: -

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
 TAPS FUEL GAS LINE MGV-7 REPLACEMENT
 LOCATION AND VICINITY MAP

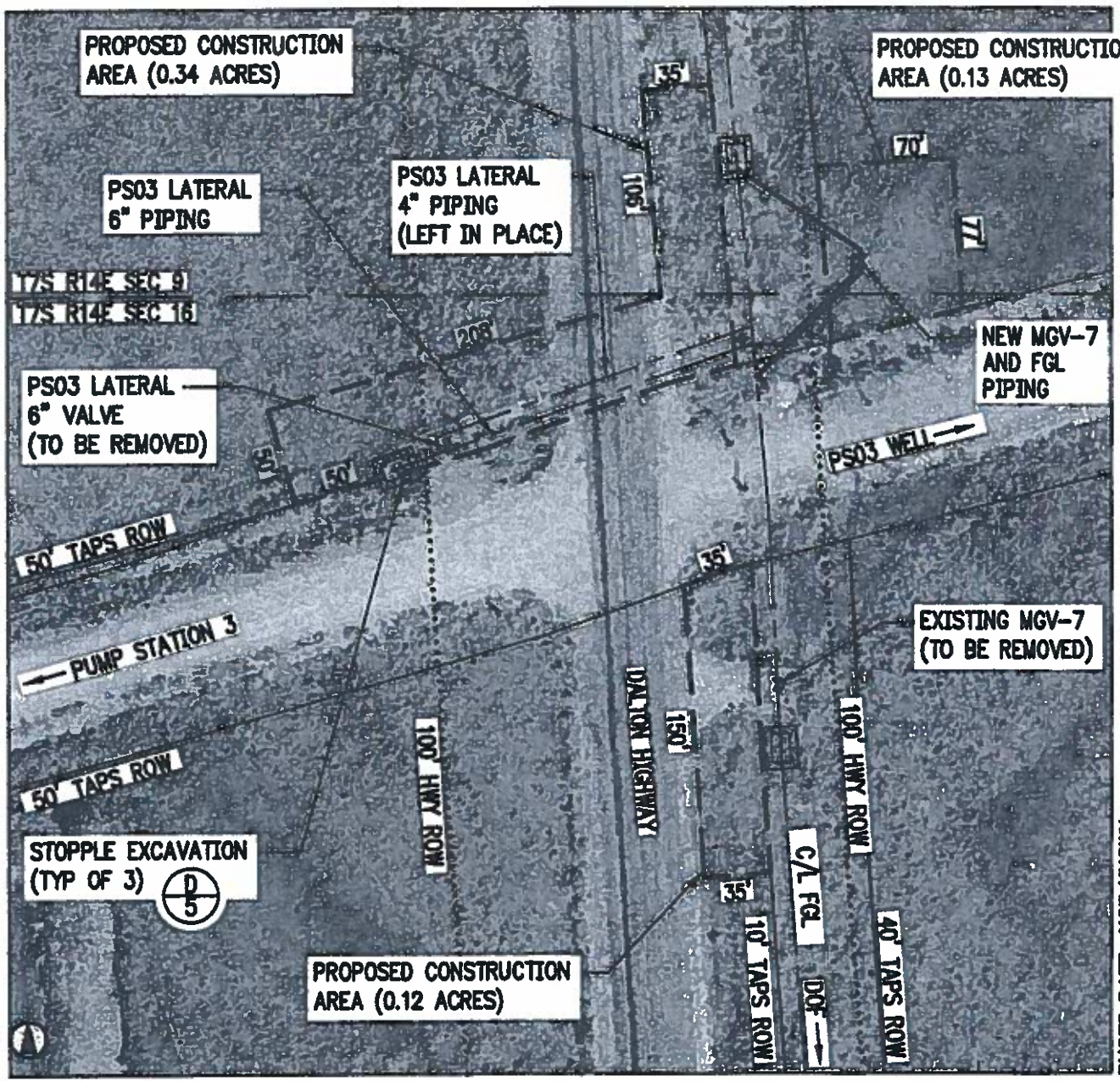
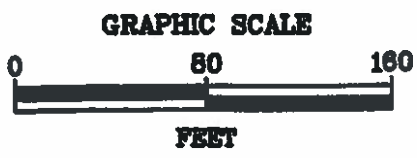
TRANS ALASKA PIPELINE SYSTEM

DATE: 06/21/12 PLATE 1

REV.	A	DWN. TAN	CK	SHEET	1	OF	5
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AFFECTED BY:

FILENAME: -



PLAN

NOTE: CONSTRUCTION AREAS ESTIMATED (IN ACRES) FOR LAND USE PERMITTING.

SCALE: 1" = 80'

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-7 REPLACEMENT
PLAN

TRANS ALASKA PIPELINE SYSTEM

DATE: 06/21/12

PLATE 2

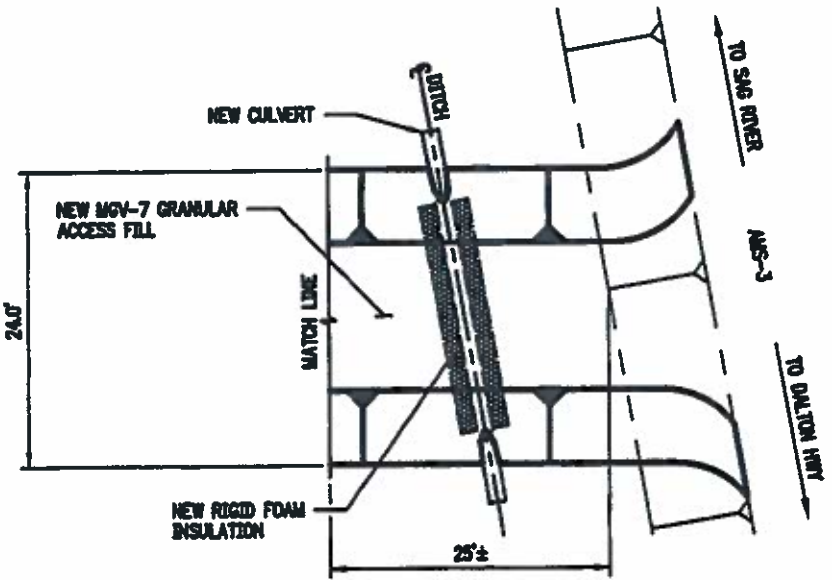
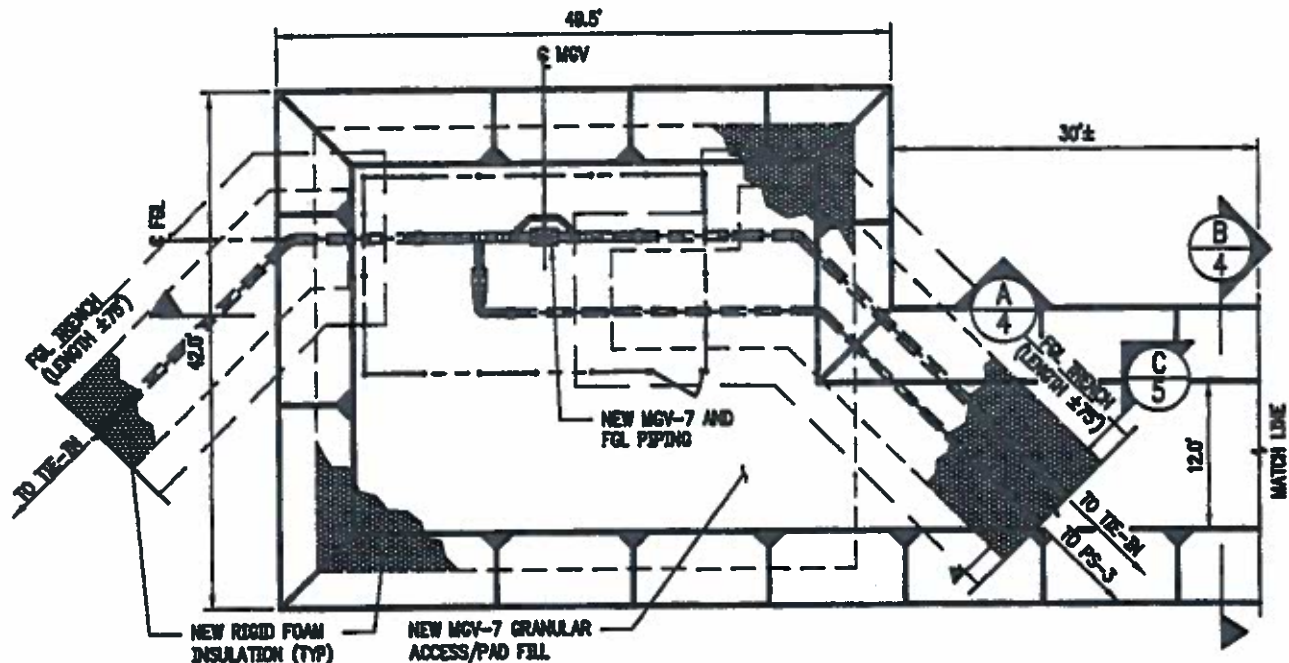
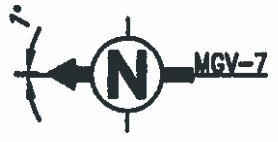
REV. A	DWN. TAN	CKD. JAW	APPR. JPD
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SCALE: AS NOTED	SHEET 2 OF 5
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AFFECTED BY:
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AFFECTED BY:

PHOTO DATE: NOT KNOWN

FILE DATE: -
PLOT SCALE: -
FILENAME: 1



PLAN
SCALE: 1" = 15'

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-7 REPLACEMENT
PLAN

TRANS ALASKA PIPELINE SYSTEM

DATE: 06/21/12

PLATE 3

REV. A DWN. TAN CKD. JAW APPR. JPD

SCALE: AS NOTED

SHEET 3 OF 5

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PLOT SCALE: -
FILENAME: -

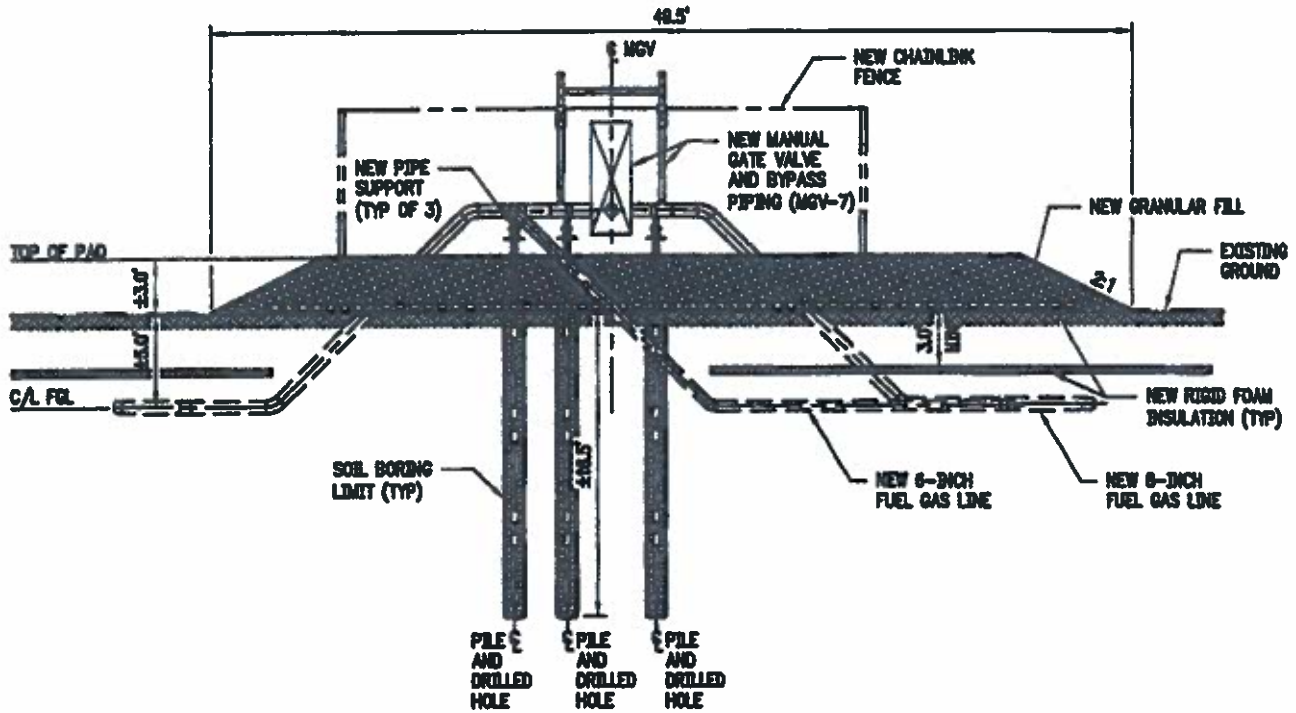
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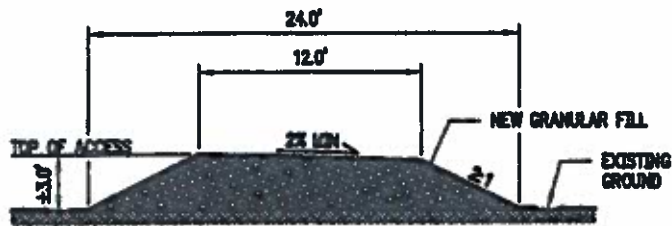
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AFFECTED BY:



SECTION - MGV-7 PAD

SCALE: 1"=10'



SECTION - MGV-7 ACCESS

SCALE: 1"=10'



ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-7 REPLACEMENT
SECTION

TRANS ALASKA PIPELINE SYSTEM

DATE: 06/21/12

PLATE 4

REV.

A

DWN. TAN

CKD. JAW

APPR. JPD

SCALE: AS NOTED

SHEET 4 OF 5

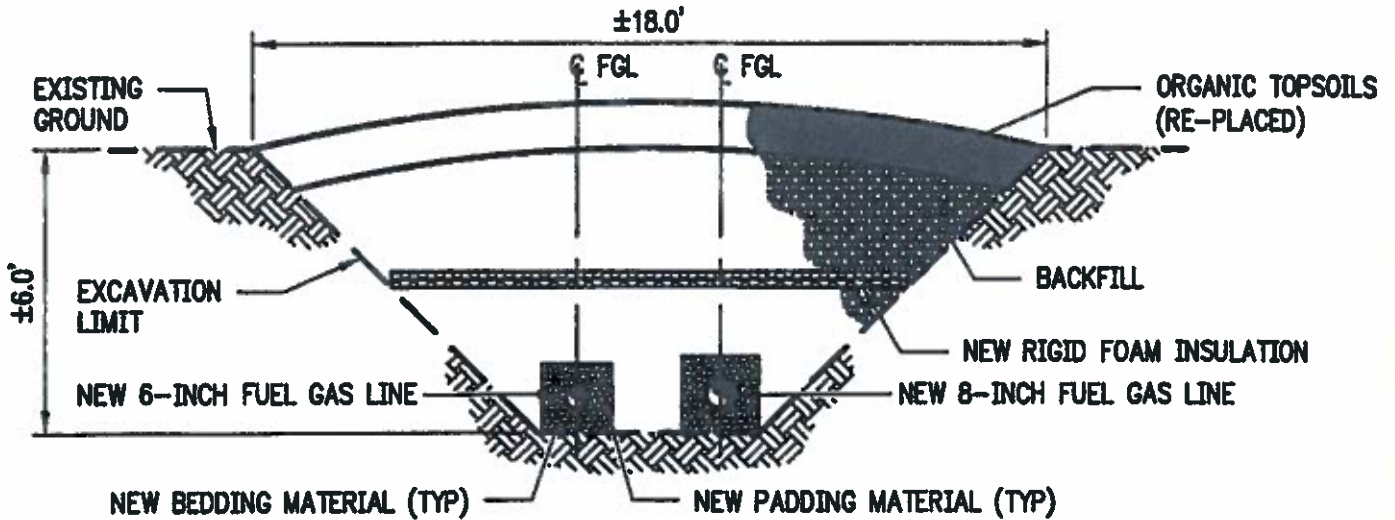
FILE DATE: -

PLOT SCALE: -

FILENAME: -

ESTIMATED FILL QUANTITIES

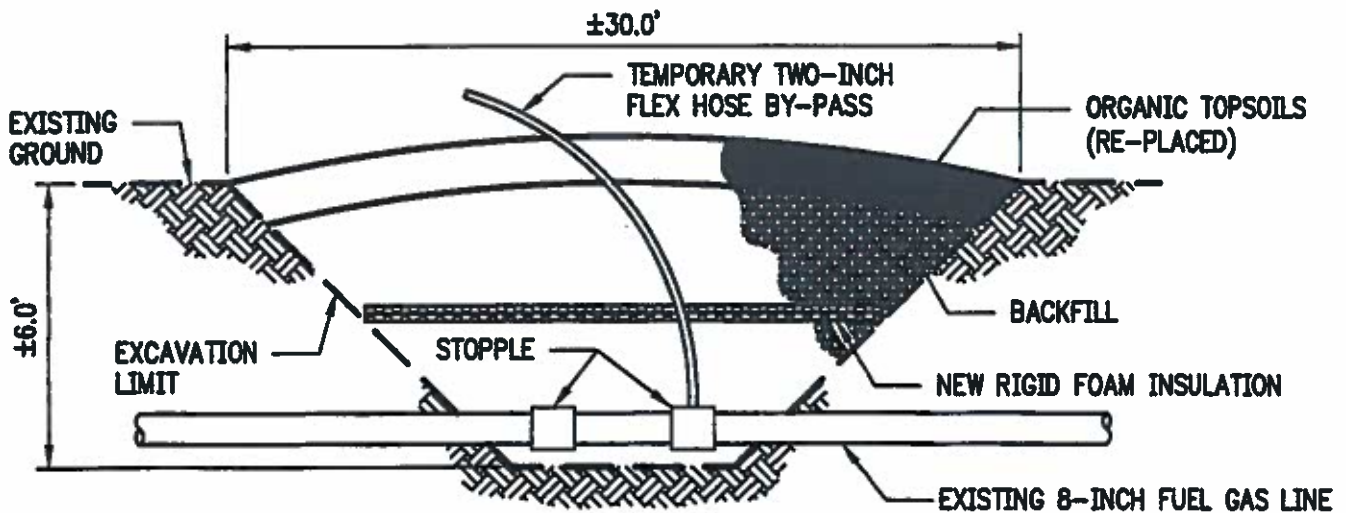
	AREA (SF)	VOLUME (CY)
FGL TRENCH EXCAVATION (QTY 2, BACKFILLED WITH EXCAVATED SOIL)	2,500	330
FGL STOPPLE EXCAVATION (QTY 2, BACKFILLED WITH EXCAVATED SOIL)	1,350	135
MGV-7 ACCESS/PAD (IMPORTED GRANULAR FILL)	3,100	300



SECTION - FGL TRENCH EXCAVATION

SCALE: NTS

C
3



SECTION - FGL STOPPLE EXCAVATION

SCALE: NTS

D
2

ADJACENT PROPERTY OWNER: STATE OF ALASKA

ALYESKA PIPELINE SERVICE CO.

F802
TAPS FUEL GAS LINE MGV-7 REPLACEMENT
SECTION

TRANS ALASKA PIPELINE SYSTEM

DATE: 06/21/12

PLATE 5

REV.	A	DWN. TAN	CKD. JAW	APPR. JPD
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SCALE: AS NOTED

SHEET 5 OF 5

AFFECTED BY:

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AFFECTED BY:

FILE DATE: -

PLOT SCALE: -

FILENAME: -

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
STATE PIPELINE COORDINATOR'S OFFICE
411 WEST 4TH AVENUE, SUITE 2
ANCHORAGE, ALASKA 99501
(907) 269-6403

NOTICE OF ANALYSIS OF AMENDMENT APPLICATION AND PROPOSED DECISION
TRANS-ALASKA PIPELINE SYSTEM – ADL 63574
FUEL GAS LINE MANUAL GATE VALVE REPLACEMENTS

In accordance with Alaska Statute (AS) 38.35.015, the State Pipeline Coordinator's Office received an application submitted by Alyeska Pipeline Service Company, agent for the Trans-Alaska Pipeline System (TAPS) lessees, to amend the Right-of-Way Lease for the Trans-Alaska Pipeline, ADL 63574. The amendment is to add approximately 0.78 acres of land adjacent to and across from the Dalton Highway to replace two existing below ground valve sets on the TAPS Fuel Gas Line (FGL) and make modifications to the Pump Station 3 Lateral Line as part of TAPS Project F802. FGL Manual Gate Valves (MGV) No. 5 and No. 7 will be replaced with above ground valve sets that will be set farther from the highway on new gravel pads to ensure adequate distance from the highway and prevent vehicular damage. The project will increase the long term integrity of the new pipe and valve sets. Access workpads will be constructed from the Dalton Highway to the new valve sites and vehicle gates will be installed to control access.

The lands are generally described as:

FGL MGV No. 5

Township 2 South, Range 14 East, Umiat Meridian, Alaska,
Section 21, NW4, lands immediately adjacent to the existing TAPS right-of-way and the Dalton Highway at milepost 342.1, containing approximately 0.24 acres, and

FGL MGV No. 7 and Pump Station 3 Lateral Line

Township 7 South, Range 14 East, Umiat Meridian, Alaska,
Section 9, SW4, and Section 16, NW4, lands immediately adjacent to the existing TAPS right-of-way and the Dalton Highway at milepost 311.7, containing approximately 0.54 acres.

Pursuant to AS 38.35.070, public notice of the application was published in the Anchorage Daily News and the Fairbanks Daily News-Miner on May 31, 2012. A copy of the application was filed with coordinate agencies.

In accordance with AS 38.35.080, the State Pipeline Coordinator has prepared an analysis of the application and Proposed Decision to approve the application. The proposed modification was determined not to be a substantial amendment of the existing lease. A copy of the Analysis of Amendment Application and Proposed Decision is available online at the State Pipeline Coordinator's website: <http://dnr.alaska.gov/commis/pco/>, or at cost by request. Any comment, objection, or expression of interest pertaining to the analysis and proposed decision must be submitted in writing to the State Pipeline Coordinator's Office by letter, e-mail or facsimile before 5:00 p.m. on July 30, 2012:

State Pipeline Coordinator's Office
411 West 4th Avenue, Suite 2
Anchorage, AK 99501-2343
Phone: (907) 269-6403 Fax: (907) 269-6880
E-Mail: spco.records@alaska.gov

If public comment indicates the need for significant changes in the proposed decision, then additional public notice will be given on or about August 1, 2012. If no significant change is required, then the proposed decision, including any minor changes, will be issued as the final decision of the Department of Natural Resources after July 30, 2012, without further notice.

The State of Alaska, Department of Natural Resources, State Pipeline Coordinator's Office, complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, or special modifications to participate in this review may call 269-8411 TTY/TTD. Please provide sufficient notice in order for the Department to accommodate your needs.

The State Pipeline Coordinator's Office reserves the right to waive technical defects in this publication.

/s/ Frederick M. Thompson
State Pipeline Coordinator

Publish June 29, 2012



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Natural Resources

State Pipeline Coordinator's Office

411 West 4th Avenue, Suite 2C
Anchorage, Alaska 99501-2343
Main: 907.269.6403
Fax: 907.269.6880

August 13, 2012

Letter No.: 12-305-AS
Case File Serial No.: ADL 63574
TAPS Amendment
Fuel Gas Line
Valve Replacements
Section/Stipulation: 1.1.1.36(11)
2.9.1
File Code: (30) 1.3.5
(51) 2.9.1
Facility Code: F1180
Due Date: N/A

Mr. Joseph Robertson
Director of Regulatory Affairs
Alyeska Pipeline Service Company
P.O. Box 196660, MS 502
Anchorage, AK 99519-6660

Re: Amendment to Right-of-Way Lease, ADL 63574
Trans-Alaska Pipeline System (TAPS)
Fuel Gas Line Manual Gate Valve (MGV) Replacements, and
Off Right-of-Way Authorization under Stipulation 2.9.1

Dear Mr. Robertson:

Enclosed is a copy of the executed original Amendment to Exhibit D of the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574. The State Pipeline Coordinator's Office will record the amendment and send a recorded copy upon receipt. This amendment modifies the legal description of the aforementioned lease to include additional lands along the Right-of-Way for the TAPS Fuel Gas Line near Dalton Highway mileposts 342.1 and 311.7. The rental amount for this increased acreage will follow under separate cover.

A Notice to Proceed (NTP) request for this project was received in Alyeska Pipeline Service Company (APSC) Letter No. 25883. It has been determined that an NTP is not required for this project.

The following Special Stipulations apply to this amendment:

1. All terms and conditions of the Right-of-Way Lease for the Trans-Alaska Pipeline, dated May 3, 1974, which was renewed November 26, 2002 and effective May 3, 2004, are incorporated by reference and made part of this amendment.

2. This approval applies to all State lands within the project area in Township 2 South, Range 14 East, Section 21, NW4 and Township 7 South, Range 14 East, Section 9, SW4, and Section 16, NW4, Umiat Meridian, Alaska.
3. This approval does not abrogate the responsibility of APSC to obtain any and all authorizations necessary for construction of the project under applicable State or Federal law.
4. Prior to commencement of surface disturbing activities, the right-of-way limits shall be staked.
5. The monitoring station located near MGV No. 7 may not be removed, relocated, or disturbed without approval from the Department of Natural Resources, Division of Mining, Land and Water, Northern Region Office.
6. All cuts, slopes, fills, or other exposed earthwork attributable to this project shall be stabilized to prevent erosion which may occur both during and after construction.
7. The final lands encompassed by this project to be retained in the Lease will be depicted on as-built drawings tied to the Trans-Alaska Pipeline System centerline. The final as-built drawings shall be submitted for approval of the Commissioner.

This letter also grants APSC, pursuant to Stipulation 2.9.1 of the Lease, authorization to cross public lands outside the TAPS right-of-way via passenger vehicles and small, rubber tired or tracked vehicles to conduct various short term non-intrusive activities permitted for this project.

If you have questions or need additional assistance, please contact me at (907) 269-6451 or Chris Grundman at (907) 269-6427.

Sincerely,



Frederick M. Thompson
State Pipeline Coordinator

- Enclosures: 1) Amendment of the Right-of-Way Lease for the Trans-Alaska Pipeline, ADL 63574,
 Fuel Gas Line Manual Gate Valve Replacements (3 Pages)
- 2) Commissioner's Decision, ADL 63574,
 Trans-Alaska Pipeline System,
 Fuel Gas Line Manual Gate Valve Replacements (3 Pages)

ecc: Peter Nagel, APSC
 Lori Burroughs, APSC
 Ron Doyel, ADEC/JPO
 Lee McKinley, ADF&G/JPO
 Ray Elleven, DOLWD/JPO
 Chris Grundman, ADNRR/JPO

COPY

**AMENDMENT OF THE RIGHT-OF-WAY LEASE
FOR THE
TRANS-ALASKA PIPELINE
ADL 63574**

FUEL GAS LINE MANUAL GATE VALVE REPLACEMENTS

This is an Amendment to Exhibit D, Description of the Right-of-Way for Related Facilities of the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, hereinafter referred to as AMENDMENT.

The RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE dated May 3, 1974, ADL 63574, was recorded in the Barrow Recording District as Document No. 1979-000309-0 in Book 24, Pages 001 through 107, on July 16, 1979. The RENEWAL AND AMENDMENT OF RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE AND ASSOCIATED RIGHTS, ADL 63574, which became effective May 2, 2004, was recorded in the Barrow Recording District as Document No. 2002-001065-0, Pages 001 through 030, on December 6, 2002.

This AMENDMENT is made and entered into and becomes effective this 9th day of August, 2012, by and between the STATE OF ALASKA located at 411 West 4th Avenue, Suite 2, Anchorage, Alaska 99501, acting through the Commissioner of Natural Resources, hereinafter referred to as COMMISSIONER, and Alyeska Pipeline Service Company as agent for the Trans-Alaska Pipeline System (TAPS) owner companies located at P.O. Box 196660, MS 502, Anchorage, Alaska 99519-6660, hereinafter referred to as LESSEE.

WHEREAS, the LESSEE has applied to amend the existing Right-of-Way Lease, ADL 63574, to include additional State of Alaska land to replace two existing below ground valve sets on the TAPS Fuel Gas Line (FGL) and make modifications to the Pump Station 3 Lateral Piping. The additional lands are located along the Dalton Highway and the Right-of-Way for the TAPS Fuel Gas Line. Construction of the above ground valve sets is necessary for the safe operation and protection of the pipeline.

NOW THEREFORE, the COMMISSIONER and LESSEE agree to amend the RIGHT-OF-WAY FOR THE TRANS-ALASKA PIPELINE, ADL 63574, to include the lands within the Barrow Recording District described as:

FGL Manual Gate Valve No. 5
Township 2 South, Range 14 East, Umiat Meridian, Alaska,
Section 21, NW4, lands immediately adjacent to the existing TAPS right-of-way and
the Dalton Highway at milepost 342.1, containing approximately 0.24 acres, and

FGL Manual Gate Valve No. 7 and Pump Station 3 Lateral Piping
Township 7 South, Range 14 East, Umiat Meridian, Alaska,
Section 9, SW4, and Section 16, NW4, lands immediately adjacent to the existing
TAPS right-of-way and the Dalton Highway at milepost 311.7, containing
approximately 0.54 acres.


The lands described above are incorporated into and made a part of the RIGHT-OF-WAY
LEASE FOR THE TRANS-ALASKA PIPELINE dated May 3, 1974, ADL 63574, and the
RENEWAL AND AMENDMENT OF RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA
PIPELINE AND ASSOCIATED RIGHTS, ADL 63574, effective May 2, 2004.

The lands needed to accommodate the above ground valve sets and modified piping after
construction will be less than those described above. After construction, Alyeska Pipeline
Service Company will submit an as-built drawing for the Commissioner's approval. The as-built
drawing will show the right-of-way addition in relation to the boundaries of the existing TAPS
right-of-way. Upon the Lessee's acceptance of the Commissioner's approval of the as-built,
Exhibit D, Right-of-Way for Related Facilities of the RIGHT-OF-WAY LEASE FOR THE
TRANS-ALASKA PIPELINE, ADL 63574, will be amended to reflect the final, amended legal
description.


IN WITNESS WHEREOF, the COMMISSIONER and LESSEE have affixed their signatures to
duplicate originals of this AMENDMENT.

STATE OF ALASKA

LESSEE



Daniel S Sullivan
Commissioner
Department of Natural Resources

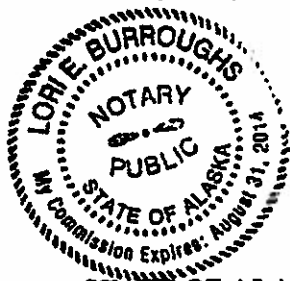


Peter C. Nagel /Sr. Land Manager
Alyeska Pipeline Service Company, Agent
for the Trans-Alaska Pipeline System owner
companies

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 10th day of August, 2012, before me, personally appeared Peter C. Nagel, who stated that he executed the foregoing document as authorized representing Alyeska Pipeline Service Company as agent for the Trans-Alaska Pipeline System owner companies.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal, the day and year in this certificate first above written.



Lori E. Burroughs
Notary Public in and for the State of Alaska
My Commission expires 08-31-2014

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 9th day of August, 2012, before me, personally appeared Daniel S. Sullivan, the Commissioner of the Department of Natural Resources of the State of Alaska, who executed the foregoing Amendment and acknowledged voluntarily signing the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal, the day and year in this certificate first above written.



Joseph R. Blight
Notary Public in and for the State of Alaska
My Commission expires w/ office

COPY

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
STATE PIPELINE COORDINATOR'S OFFICE**

COMMISSIONER'S DECISION

**ADL 63574
TRANS-ALASKA PIPELINE SYSTEM
FUEL GAS LINE MANUAL GATE VALVE REPLACEMENTS**

This final decision is intended to complement and update the Analysis of Amendment Application and Proposed Decision dated June 28, 2012.

Proposed Action: Alyeska Pipeline Service Company (APSC), agent for the Trans-Alaska Pipeline System (TAPS) owner companies, has requested an amendment to modify the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574. The purpose of the amendment is to add approximately 0.78 acres of land adjacent to the Dalton Highway to replace two existing below ground valve sets on the TAPS Fuel Gas Line (FGL) and make modifications to the Pump Station 3 lateral piping, as part of TAPS Project F802. FGL Manual Gate Valves (MGV) No. 5 and No. 7 will be replaced with above ground valve sets that will be set farther from the highway on new gravel pads to prevent vehicular damage. The project will increase the long term integrity of the new pipe and valve sets. Access workpads will be constructed from the Dalton Highway to the new valve sites and vehicle gates will be installed to control access.

The lands proposed to be added to the right-of-way are generally described as:

FGL MGV No. 5

Township 2 South, Range 14 East, Umiat Meridian, Alaska,
Section 21, NW4, lands immediately adjacent to the existing TAPS right-of-way and
the Dalton Highway at milepost 342.1, containing approximately 0.24 acres, and

FGL MGV No. 7 and Pump Station 3 lateral piping

Township 7 South, Range 14 East, Umiat Meridian, Alaska,
Section 9, SW4, and Section 16, NW4, lands immediately adjacent to the existing
TAPS right-of-way and the Dalton Highway at milepost 311.7, containing
approximately 0.54 acres.

Authority: AS 38.35.015 and the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, are the authorities for this decision.

Public/Agency Notice: Coordinate agency notice of the application was sent to the Alaska Departments of Environmental Conservation, Labor and Workforce Development, and Transportation and Public Facilities. Notice was also provided to the Regulatory Commission of Alaska, the Bureau of Land Management, and the northern region offices of the Alaska Departments of Fish and Game and Natural Resources. Notice of the amendment application was published in the Anchorage Daily News, the Fairbanks Daily News Miner, and on the State of Alaska public notice website and the State Pipeline Coordinator's Office (SPCO) website on May 31, 2012.

Public Notice of the Analysis of Amendment Application and Proposed Decision, ADL 63574, Trans-Alaska Pipeline System, Fuel Gas Line Manual Gate Valve Replacements, was published in the Anchorage Daily News, the Fairbanks Daily News Miner, and on the State of Alaska public notice website and the State Pipeline Coordinator's Office website on June 29, 2012. Notice of the application was also sent to post offices in Nuiqsut, Prudhoe Bay/Deadhorse, Coldfoot, and Fairbanks.

This public notice provided interested parties the opportunity to comment on the application. No objections were received from the agencies or the public.

A copy of the Analysis of Amendment Application and Proposed Decision was distributed to the North Slope Borough Mayor, Nuiqsut Mayor, Arctic Slope Regional Corporation Kuukpik Corporation, and each of the agencies listed above.


Agency Comment Received: The Department of Natural Resources, Division of Mining, Land, and Water, Northern Region Office (NRO) provided information that there is a long-term monitoring station installed in the vicinity of the proposed work to be done at the FGL MGV No. 7. The site consists of three (3) thermistors installed in the ground at 10 cm, 20 cm, and 30 cm depths, and are contained within an above ground black PVC housing. The site also has an approximately 25 meter transect delineated by five (5) reflective driveway markers. This monitoring station, in conjunction with 19 other monitoring sites, is used to collect ground temperatures, snow depth, and snow density to provide the NRO information to determine the winter off-road travel season on the tundra. The NRO requests the project at the FGL MGV No. 7 be revised and/or relocated if possible to prevent disturbance of the monitoring station site.

Response: APSC was immediately informed of the NRO comment received and was provided information about the approximate location of the monitoring site. The SPCO requested APSC to determine the distance from the monitoring station to the proposed location of the gravel pad and to the nearest extent of any planned excavation. From field photos provided by APSC, it appears the monitoring station may be located an adequate distance from the proposed project as to not impact future data recorded by the monitoring station. Actual distances will be measured in the field by APSC and will be provided to the SPCO. APSC will work with the SPCO and the NRO to determine if the proposed work will have an impact on the monitoring station and what actions to take to minimize any disturbance. APSC may not remove, relocate, or disturb the monitoring station without approval from the NRO.

Discussion: The request for the authorization to install the above ground MGV and to modify Pump Station 3 lateral piping is consistent with the original purpose of the lease. The interest in additional state lands requires an amendment to the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, and will be subject to all terms, conditions, and stipulations contained in the lease, as discussed in the Analysis of Amendment Application and Proposed Decision dated June 28, 2012.

Final Finding and Decision: The proposed amendment to facilitate the MGV replacements and piping modification is consistent with the original intent of the RIGHT-OF-WAY LEASE FOR THE TRANS-ALASKA PIPELINE, ADL 63574, and serves to protect the TAPS pipeline and state resources. It is in the best interest of the State of Alaska to approve the amendment request.

The amendment to Exhibit D, the Description of Right-of-Way for Related Facilities of the Right-of-Way Lease for the Trans-Alaska Pipeline, ADL 63574, will be completed following construction, the Commissioner's approval of the as-built drawing, and acceptance of the Commissioner's approval by the Lessee.



Daniel S. Sullivan
Commissioner
Alaska Department of Natural Resources



Date