



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ARCTIC FIELD OFFICE
1150 University Avenue
Fairbanks, Alaska 99709-3899

ENVIRONMENTAL ASSESSMENT

Title: Wainwright Gravel Sale

EA Number: EA – AK-023-2009-0003

Type of Action: Mineral Material Sale (3610.00)

Serial Number: F-95399

Applicant: Olgoonik Development, LLC
360 West Benson Blvd, Ste. 302
Anchorage, Alaska 99503

Date Prepared: November 2008

Prepared By: Bureau of Land Management, Fairbanks District Office
Arctic Field Office
1150 University Avenue
Fairbanks, Alaska 99709
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Lands Involved

Sections 3 & 10, Township 14 North, Range 32 West, Umiat Meridian, Tupkak Bar, Wainwright Inlet, Mouth of the Kuk River and near Wainwright, Alaska.

This Environmental Assessment is tiered to the following environmental document which is available for review in the Fairbanks District Office, Bureau of Land Management, 1150 University Avenue, Fairbanks, Alaska, 99709, (907) 474-2200.

Record of Decision, Northwest National Petroleum Reserve – Alaska, Integrated Activity Plan/Environmental Impact Statement, dated January 22, 2004

I. INTRODUCTION

(A) Purpose and Need

The community of Wainwright, Alaska is in need of gravel to maintain the community's existing infrastructure and to develop new infrastructure. There is not a developed gravel source in or near the community. Early development around Wainwright was constructed with gravel material dredged and stockpiled by the North Slope Borough. These stockpiles have been depleted and the Borough dredging facilities is no longer available.

The Wainwright village (ANCSA) corporation development corporation, Olgoonik Development, is requesting to enter into a gravel sale with BLM for gravel materials located near the village. The only alternative to developing a local source of gravel is to barge gravel into the community from Barrow or Prudhoe Bay. By the time these gravels are barged from Barrow or Prudhoe Bay costs range into the hundreds of dollars per cubic yard.

The only source of gravel material close enough to the community to make it economically feasible are materials within Wainwright Inlet. These submerged lands are property of the United States and managed by BLM. This Environmental Assessment seeks to determine the environmental conditions necessary to conduct a mineral material sale and provides guidance for BLM geologists (Darrel VandeWeg) to assess value of existing materials.

On May 23, 2008, Olgoonik Development, LLC, submitted an application to utilize the public lands 3 miles southwest of Wainwright, Alaska. The use requested would establish criteria for and sell approximately 250,000 cubic yards of gravel at Tupkak Bar in Wainwright Inlet

The application was filed with the Arctic Field Office. Bureau of Land Management (BLM) in accordance with the regulations contained in 43 Code of Federal Regulations (CFR) 3600, and under the authority in the Naval Petroleum Reserve Production Act (NPRPA) (P L 94-258, 90 Stat. 303) of 1976.

(B) Issues

Staff members within the Arctic Field Office, Fairbanks District, have raised the following issues and concerns after reviewing the proposal: (1) Potential impacts to fisheries resources, (2) Potential impacts to Water Resources, (3) Potential impacts to Floodplains, (4) Potential impact to Threatened & Endangered species, and (5) Potential impacts to wildlife resources (non T&E).

There has been no public comment on this proposal thus far.

(C) Required Permits, Licenses, etc.

Licenses and permits required include a North Slope Borough Development Permit and potential action from U.S Corps of Engineers, Alaska Department of Natural Resources (SHPO) and Division of Coastal & Ocean Management, and the U. S. Fish & Wildlife Service.

The applicant will be required to submit bonding (\$10,000) through the regulations pertaining to the mineral extraction (gravel sale).

(D) Relationship to Statutes, Regulations, Policies, Plans or other Environmental Analyses

The area within which the proposed action would take place is covered by the following planning and environmental document:

Northwest National Petroleum Reserve – Alaska, Integrated Activity Plan / Environmental Impact Statement, dated January 22, 2004.

The action, as proposed, is consistent with the objectives outlined in this document and not in conflict with other resources in the area. The proposed use is in conformance with current policy of the Arctic Field Office, BLM.

The waters and submerged lands involved are under federal jurisdiction. The lands used to stockpile the gravel are on private native (Olgoonik Corporation) lands.

The proposed action is located on lands that are in the National Petroleum Reserve – Alaska. Lands in the NPR-A were originally set aside as the Naval Petroleum Reserve #4 by Executive Order 3797-A, dated February 27, 1923. Jurisdiction of the land was transferred to the Department of Interior from the Department of Navy by the Naval Petroleum Reserve Production Act of April 5, 1976 (PL. 94-258, 90 Stat. 303)(NPRPA).

(E) Lands Status and Adjacent Land Uses

All tidally influenced water within the barrier islands including Wainwright Inlet, are under the jurisdiction of the BLM. Submerged lands within those waters are also property of the United States. Most nearby lands south and east of the inlet are a mix of village/regional lands or part of the NPR-A. Adjacent lands north of the site are under the jurisdiction of Olgoonik Corporation.

II. PROPOSED ACTION AND ALTERNATIVES

(A) Introduction

This section describes the Proposed Action in sufficient detail to analyze their impacts. The descriptions include all design features and discrete actions which have the potential to affect the environment, including those intended to avoid or minimize adverse environmental impacts.

Applicable Arctic Field Office policy or program requirements and standard procedures are described as Standard Stipulations. These are not discretionary, and apply equally to the Proposed Action and any alternative. All activities shall conform to these and any Project Specific Stipulations attached to the Decision Record. In addition, all activities shall conform to the regulations contained within 43 Code of Federal Regulations 3600, and all written orders of the Authorized Officer.

(B) Proposed Action

The Proposed Action as submitted by the applicant is to acquire a gravel sale from BLM to provide gravel for numerous corporate development projects in the Wainwright area. Previous exploration projects have found gravel deposits along the shoreline and in the waters of the Wainwright Inlet. Past dredging activities extracted most of these gravels. The only alternative to developing a local gravel source is to barge gravel into the community from Barrow or Prudhoe Bay at a cost of hundreds of dollars per cubic

yard. Although a local gravel source is not expected to provide the community with high quality gravels, a local source is expected to provide gravels that will be suitable for much of the existing infrastructure maintenance and new infrastructure development at far less cost than associated with barging gravel.

This project will consist of excavating as much as 250,000 cubic yards of gravely sands from submerged lands 3 miles southwest of Wainwright. Tupkak Bar is approximately 5,000 feet and 20 feet wide. Gravely sands extend 5 to 15 feet below the surface. The bar is expected to yield up to 85,000 cubic yards of material. Excavating the gravel bar will result in removal of much of the bar. The sands are located west of the gravel bar. The quantity of recoverable material in the sands has not been determined. The material will be extracted with an excavator and hauled to an existing stockpile site located 3/8 mile west of the bar. The existing stockpile site was constructed for and used by the dredging activities in the mid-90's. The stockpile site appears to be in good shape, however, the berms, sedimentation pond and outfall will be repaired if necessary.

To ensure the excavation activities do not interfere with the community's subsistence resource Olgoonik Development will coordinate all exploration with the community. This activity is scheduled to begin at or near September 15, 2008, and end in September 2011, to coincide with the maximum 3 year permit which will be issued by the Army Corps of Engineers.

Olgoonik Development plans further exploration in the future and at that time will return to modify this sale proposal to bring the total sale to the 250,000 cubic yards mentioned earlier. The Tupkak Bar location is the first phase of this sale.

(C) No Action Alternative

No action was considered and rejected as it would not solve the gravel needs of Wainwright. The selected site is the closest to the village without requiring expensive barging. The unit cost for barging gravel would be several hundred dollars per yard of gravel while the Tupkak Bar sale price will be \$1.50 per yard.

(D) Access

All access will be over native owned lands.

III. ENVIRONMENTAL CONSEQUENCES

(A) Introduction

This section provides the evaluation of direct, indirect and cumulative environmental impacts of the Proposed Action. Impacts may be to society, the economy, or the biological or physical environment. Any issues or concerns raised by Bureau staff are discussed below. If these resulted in any measures to mitigate the environmental impacts, those measures are also discussed in this section. Finally, any residual impacts to the environment, despite applications of mitigation measures, are identified here.

The affected environment for the area of the Proposed Action is discussed in the following document:

Northwest National Petroleum Reserve – Alaska, Integrated Activity Plan / Environmental Impact Statement, dated January 22, 2004.

This document also address impacts resulting from actions similar to the Proposed Action

(B) The following Critical Elements of the human environment are subject to requirements specified in statute, regulations or Executive Orders. These Critical Elements have been analyzed for the Proposed Action:

Critical Elements	May be Affected	May be Mitigated
1. ACEC's	NO	
2. Air Quality	NO	
3. Cultural & Historic	NO	
4. Farmland, Prime or Unique	NO	
5. Fisheries Habitat	YES	NO
6. Flood Plains	YES	YES
7. Nat. Amer. Relig. Concerns	NO	
8. Paleontological	NO	
9. Threatened / Endangered	YES	YES
10. Visual Resources	NO	
11. Waste, Hazardous / Solid	NO	
12. Water Quality	YES	YES
13. Wetlands / Riparian Zones	NO	
14. Wild & Scenic Rivers	NO	
15. Wilderness Values	NO	
16. Wildlife Resources	YES	NO
17. Environmental Justice	NO	

Fisheries Habitat:

ENVIRONMENTAL CONSEQUENCES - Fish

Excavation activities at Tupkak Bar potentially will have both direct and indirect impacts on fish and their habitat. However, given that the bar only provides ephemeral habitat due to being exposed at low tide, these impacts should be insignificant. One potential direct impact could be displacement of fish utilizing the immediate area around the bar due to disturbance, but this would require only a small increase in energetic demand. Because the surrounding area is shallow and does not likely provide overwintering habitat for fish, this impact would be less when operations occur during the winter months (approximately October to May) than during the open-water season (approximately June to September). A second direct impact would occur on the habitat which will be physically altered, although it cannot be determined whether this would be a positive or negative impact. Regardless, it would be very minor. An indirect impact could occur by effecting prey resources that exist when the bar is submerged, although it is not likely a very productive feeding substrate since it is above the water line at low tide. While excavation activities could potentially effect individual fish, any impacts would be negligible from a population perspective due to the small extent of the project and the minimal intrusion into the aquatic habitat.

An Essential Fish Habitat Assessment for salmon resources, as required by the National Marine Fisheries Service, was completed regarding the proposed action. The finding is *not likely to adversely affect*, and no consultation is required.

ESSENTIAL FISH HABITAT ASSESSMENT

Proposed Action: The purpose of the proposed action (EA: AK-023-2008-0003) is to permit the

Olgoonik Corporation to excavate gravelly sands from a gravel bar (Tupkak Bar) in Wainwright Inlet.

Essential Fish Habitat

On October 11, 1996, the Sustainable Fisheries Act (Public Law 104-297) became law which, among other things, amended the habitat provisions of the Magnuson Act. The re-named Magnuson-Stevens Act calls for direct action to stop or reverse the continued loss of fish habitats. Toward this end, Congress mandated the identification of habitats essential to managed species and measures to conserve and enhance this habitat. The Act requires federal agencies to consult with the Secretary of Commerce regarding any activity, or proposed activity, authorized, funded, or undertaken by the agency that may adversely affect essential fish habitat (EFH).

For the purposes of this environmental assessment, EFH means those waters and substrate necessary for salmon spawning, breeding, feeding, or growth to maturity (Magnuson-Stevens Act, 16 U.S.C. 1801 et seq). The National Marine Fisheries Service recognizes salmon waters cataloged under AS 16.05.870 (Waters Important for the Spawning, Rearing or Migration of Anadromous Fishes) as EFH (BLM pers. comm.; National Marine Fisheries Service, Anch, AK; 28 Mar 2000). The most current information regarding the distribution of anadromous fish, as approved by the Alaska Department of Fish and Game, is available on the worldwide web (ADFG 2008; Johnson et al. 2004). The Kuk River, which flows into Wainwright Inlet, is not listed as anadromous waters for salmon.

Nearshore coastal and estuarine habitat that supports young salmon as they exit freshwater for life in the sea is also EFH. This zone is used primarily by juvenile salmon smolt during physiological adaptation to the saltwater environment from the freshwater. This outmigration takes place from the time the ice moves out through August. Although the proposed activity would take place on a sand bar within this type of habitat, the bar is only submerged during high tide and is not likely a critical habitat component for salmon at any life stage.

Potential Effects: Activities under this proposed action could have direct or indirect impacts on EFH, as described in the Environmental Consequences section for fish. However, due to the small extent of the action and the ephemeral nature of the sand bar as part of the aquatic habitat, any impact would likely be negligible.

EFH Finding: The proposed action is not expected to impact salmon or their habitat and is assigned the EFH determination: *Not likely to adversely affect*, and no further EFH consultation is required.

References

- Alaska Department of Fish and Game (ADFG). 2008. Fish distribution database. Alaska Department of Fish and Game, Division of Sport Fish. Worldwide web address:
<http://www.sf.adfg.state.ak.us/SARR/FishDistrib/anadcat.cfm>.
- Johnson, J., E. Weiss, and S. Maclean. 2004. Catalog of waters important for spawning, rearing, or migration of anadromous fishes – Arctic region, effective January 15, 2005. Alaska Department of Fish and Game, Division of Sport Fish, Research and Technical Services, Special Publication No. 04-03.

Wildlife Resources (Impacts to caribou and seals)

This addresses potential impacts to caribou and seals of excavation of up to 250,000 yards of gravel/sands from a bar in the Wainwright Inlet. Material would be removed by excavator and hauled to an adjacent stockpile site, also on an unvegetated site. Approximately 16 acres of gravel bar will be impacted during

the removal process and an additional 2.5 acres at the stockpile site.

If caribou attempt to use the site for insect relief during July or August, the activity in the area may cause them to avoid it instead. This is a direct impact and cannot be mitigated if the activity is to occur during those months. The indirect activity of this may be a further negative impact on caribou energy balances during a period that may already be taxing. Because the excavation and stockpile sites represent a very small proportion of caribou insect-relief habitat in western arctic Alaska and are not the areas used most heavily by caribou for that purpose, these impacts to caribou, if they occur, are expected to be negligible from a population perspective. For the same reason, they impacts are not expected to accumulate with other disturbances to caribou during the insect season.

Seals, especially spotted seals but also perhaps ringed or even bearded seals, may occasionally use the area as a haul-out. Any activity associated with material excavation would likely disturb hauled-out seals resulting in their return to the water. As for caribou, this would potentially have a negative consequence for seal energetic. However, and again as for caribou, this area does not represent a significant portion of haul-out habitat and impacts to seals, if they occur, are expected to be negligible from a population perspective.

Critical Elements of the Human Environment (additional write ups)

- a. Flood Plains – see attached
- b. Threatened / Endangered – see attached USF&WS letter dated 10/17/08
- c. Water Quality – see attached
- d. Environmental Justice
- e. Air Quality & Waste, Hazardous & Solid – see attached OD LLC letter dated 10/09/08

IV. Agencies, Organizations and Individuals Consulted

No public notification of the Environmental Analysis preparation has been undertaken.

There has been no public comment on this proposal thus far. Consultation with other agencies or individuals concerning this action including the Army Corps of Engineers, U.S. Fish & Wildlife Service, Wainwright Whaling Captains Commission (John Hopson), the Alaska Department of Natural Resources – ACMP Division, and the North Slope Borough.

List of Preparers

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V. ANILCA Requirements

Section 810 Subsistence Evaluation

This action is not likely to cause any significant restriction to the subsistence resources of the area (see attached ANILCA Section 810 Evaluation).



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DECISION RECORD AND FINDING OF NO SIGNIFICANT IMPACTS

Recommendation:

It is recommended that the Bureau of Land Management enter into a three year mineral material sale contract with Olgoonik Development LLC, of Wainwright, Alaska under the authority in the Naval Petroleum Reserve Production Act (NPRPA), 42 U.S.C. 6508, and in accordance with the regulations contained in 43 Code of Federal Regulations (CFR) 3600. Olgoonik Development is a subsidiary of the Olgoonik Corporation, the ANCSA village corporation of Wainwright. This sale is subject to all the terms, conditions and stipulations attached, as well as the fair market value of materials as determined through negotiations between the Bureau and Olgoonik Development.

The authorization allows for the sale of as much as 250,000 cubic yards of mineral materials to be excavated from the area known as Tupkak Bar, approximately 3 miles south of the village. This material will be stockpiled on previously disturbed native owned lands. By stipulation, the extraction will cease from June 1 until September 30 of each year during the life of the sale contract.

Site Location:

Seconds 3 & 10, Township 14 North, Range 32 West, Umiat Meridian, totaling approximately 16 acres. Tupkak Bar is located within the Wainwright Inlet at the mouth of the Kuk River and near Wainwright, Alaska.

Recommended By: _____ **Date:** November 13, 2008

/s/Mike Worley
Realty Specialist

Decision:

The recommendation outlined above is adopted as my decision.

Rationale for Decision:

The decision to allow the Proposed Action does not result in any undue or unnecessary environmental degradation of the Public Lands, and it is consistent with the Record of Decision, Northwest National Petroleum Reserve – Alaska, Integrated Activity Plan / Environmental Impact Statement, dated January 22, 2004.

This action, as proposed, is not in conflict with other resources in the area and is in conformance with current policy of the Fairbanks District Office.

Finding of No Significant Impacts:

Based on the analysis of potential environmental impacts contained in the attached Environmental Assessment (AK-023-2009-0003), I have determined that impacts are not expected to be significant and an environmental impact statement is not required.

The evaluation and findings done to comply with Section 810 of ANILCA found no significant restrictions to subsistence use.

_____ **Date:** November 13, 2008
/s/Lon Kelly, Manager
Arctic Field Office

Site Specific Stipulations

F-95399

1. Gravel extraction from Tupkak Bar is prohibited from June 1st through September 30th. Removal of mineral materials from authorized stockpiles is not prohibited during this time period.