

Compatibility Determination

Title

Compatibility Determination for Hilcorp's Transportation and Recycling of Used Oil on Kenai National Wildlife Refuge

Refuge Use Category

Rights-of-way and Rights to Access

Refuge Use Type(s)

Rights-of-way (transportation)

Refuge

Kenai National Wildlife Refuge

Refuge Purposes and Establishing and Acquisition Authorities

Franklin D. Roosevelt established the Kenai National Moose Range (Moose Range) on December 16, 1941, for the purpose of “. . . protecting the natural breeding and feeding range of the giant Kenai moose on the Kenai Peninsula, Alaska, which in this area presents a unique wildlife feature and an unusual opportunity for the study, in its natural environment, of the practical management of a big-game species that has considerable local economic value...” (Executive Order 8979).

In 1980, Alaska National Interest Lands Conservation Act (ANILCA) redesignated the Moose Range as the Kenai National Wildlife Refuge (Refuge), broadened its conservations purposes, substantially expanded the boundaries, and established the 1.35 million-acre Kenai Wilderness. Today, the Refuge comprises over 1.9 million acres.

ANILCA sets out purposes for the refuge in Section 303(4)(B) of the Act. ANILCA purposes for the Refuge are as follows:

- (i) to conserve fish and wildlife populations and habitats in their natural diversity, including but not limited to moose, bears, mountain goats, Dall sheep, wolves and other furbearers, salmonoids and other fish, waterfowl and other migratory and nonmigratory birds;
- (ii) to fulfill the international treaty obligations of the United States with respect to fish and wildlife and their habitats;
- (iii) to ensure, to the maximum extent practicable and in a manner consistent with the purposes set forth in paragraph (i), water quality and necessary water quantity within the Refuge;
- (iv) to provide, in a manner consistent with subparagraphs (i) and (ii), opportunities for scientific research, interpretation, environmental education, and land management training; and
- (v) to provide, in a manner compatible with these purposes, opportunities for fish and wildlife-oriented recreation.

U.S. Fish and Wildlife Service (Service) policy (FWS 603 2.8) directs that pre-ANILCA purposes remain in force and effect, except to the extent that they may be inconsistent with ANILCA or the Alaska Native Claims Settlement Act, and that such purposes only apply to those areas of the Refuge in existence prior to ANILCA. The Executive Order purpose to protect Kenai moose, however, is treated as complementary to the broader ANILCA purpose of conserving fish and wildlife populations; therefore, no special attention is given the Executive Order purpose in this compatibility review process.

As discussed above, ANILCA designated approximately 1,350,000 acres of the Refuge as wilderness. Except as otherwise expressly provided for in ANILCA, designated wilderness is to be administered in accordance with applicable provisions of the Wilderness Act of 1964 (Public Law 88-577). Section 4(b) of the Wilderness Act provides, "Except as otherwise provided in this chapter, each agency administering any area designated as wilderness shall be responsible for preserving the wilderness character of the area and shall so administer such area for such other purposes for which it may have been established as also to preserve its wilderness character. Except as otherwise noted in this Act, wilderness areas

shall be devoted to the public purposes of recreational, scenic, scientific, educational, conservation, and historical use.”

National Wildlife Refuge System Mission

The mission of the National Wildlife Refuge System (NWRS) is to administer a national network of lands and waters for the conservation, management, and, where appropriate, restoration of the fish, wildlife, and plant resources and their habitats within the United States for the benefit of present and future generations of Americans (Pub. L. 105-57, 111 Stat. 1252).

Description of Use

Is this an existing use?

No

What is the use?

On January 27, 2026, the Service accepted an application from Hilcorp Alaska LLC (Applicant) for a right-of-way (ROW) transportation or utility systems (TUS) permit to transport and recycle used oil generated off lease into the Swanson River Oil & Gas Field (SRF) production stream until end of field life. The route the transportation is requesting begins at the Refuge boundary on Swanson River Road, continuing to the entrances into SRF and ending at existing oil processing facilities.

A transportation ROW grants the right to use and possibly alter the landscape through construction, maintenance, and operation of water or fuel pipeline, power line, telecommunications line or tower, or other utility. This compatibility determination (CD) specifically evaluated the issuance of a ROW permit for the transportation and recycling of used oil in the Refuge. New infrastructure is not required for this activity, so no alteration of the landscape is permitted.

Is the use a priority public use?

No. This is not a use of a national wildlife refuge involving hunting, fishing, wildlife observation and photography, or environmental education and interpretation. The

NWRS Administration Act of 1966 as amended by the National Wildlife Refuge System Improvement Act of 1997 (16 U.S.C. 3101, 664, 668dd and 668ee and 43 U.S.C. 666) specifies that these are the six priority general public uses of the NWRS.

Where would the use be conducted?

This CD applies only to the proposed ROW permit for the transportation and recycling of used oil from operations outside the Federal estate to their current operations at the SRF. The evaluated route begins at the Refuge boundary at T6N, R9W SM, continuing up Swanson River Road where it splits east onto Swanson River Unit South Access Road and continues north as Swanson River Road. The ROW permit will terminate at the lease boundaries accessible via these two entrances to the SRF in T7N, R9W SM in sections 11 and 2, respectively. The total length of the proposed ROW is 12.81 miles, as shown in Figure 1. Once crossing the lease boundaries, the oil will be taken to approved existing tank settings and added to the production streams, thereby recycling the oil.

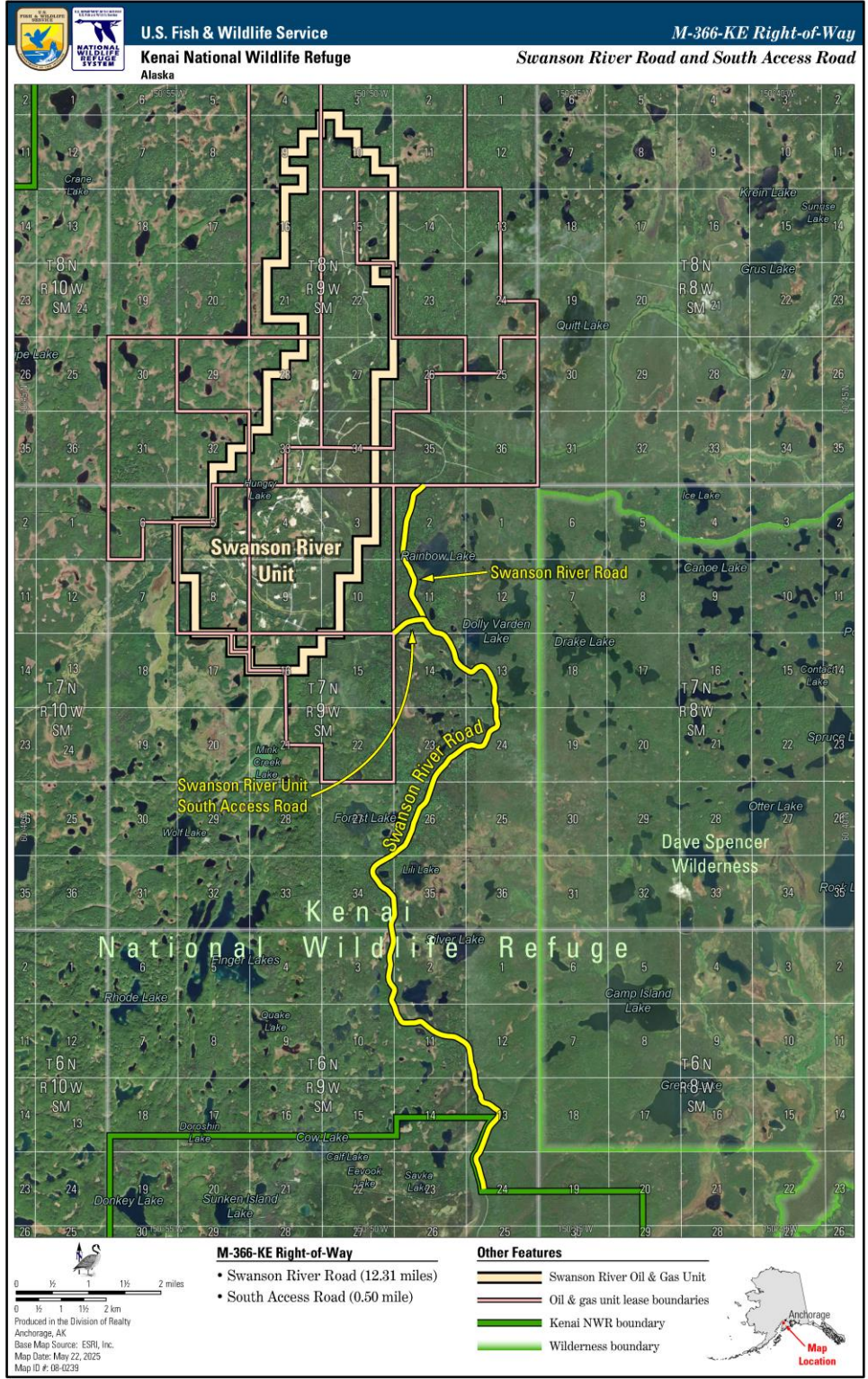


Figure 1. Proposed Right-of-Way (shown in yellow) for transportation route into Swanson River Oil and Gas Field through the Kenai National Wildlife Refuge to Hilcorp's lease boundary.

The existing road is located within the Kenai Lowlands consisting of boreal forest, dominated by white and black spruce with a mixture of aspen and birch. Extensive peatlands, wetlands and lakes are interspersed among spruce surrounding most of the proposed route.

The existing road is in close proximity to numerous bodies of water including Mosquito Lake, West Lili Lake, Weed Lake, Dolly Varden Lake, Rainbow Lake and several unnamed lakes, wetlands and seasonal drainages. To avoid impacts to watersheds, all Department of Transportation (DOT) regulations will be adhered to and Hilcorp's spill prevention and response maintained.

The route of this ROW falls entirely within the intensive management category, per the 2010 Revised Comprehensive Conservation Plan (USFWS 2010). Here, a more detailed description of the Refuge environment can be found.

When would the use be conducted?

This evaluation covers the issuance of a ROW permit to transport and recycle used oil in the Refuge throughout the calendar year, with more truckloads in busier months and no truckloads in slower months. The ROW permit would allow access of the transportation route for 20 years or until the end of SRF's economic field life, whichever occurs sooner. The economic field life is determined by the field producing oil and gas in paying quantities. The Applicant may terminate the permit earlier if it is no longer needed. After 20 years, the compatibility of the transportation route would be re-evaluated and a new ROW permit issued as appropriate.

How would the use be conducted?

A new ROW for a TUS on Refuge lands may be granted if the system is found to have no significant impact on the environment under the National Environmental Policy Act (NEPA) (42 U.S.C. 4321-4347) and is found to be compatible with Refuge purposes and meets the criteria outlined in Section 1104(g)(2) of ANILCA and the regulations at 43 CFR 36.7(a)(2), which includes a determination of whether there is any economically feasible and prudent alternative to siting the system in the Refuge. If approved, permits issued for a TUS would contain terms and conditions as required under regulations at 43 CFR 36.9(b) and 50 CFR 29.21 through 29.24. Typically, we issue ROW permits for a 20-year term with the option for renewal but

can authorize a ROW permit from 10 years up to a 50-year term per 50 CFR 29.21-3(a).

Under Categorical Exclusion 516 DM 8.6 (C)(4), the proposed use can be permitted as there are no anticipated negative effects provided stipulations identified below are met.

No new infrastructure would be required for this ROW permit. The Applicant would use vacuum tank trucks or trailers with storage capacity up to 200 crude barrels of oil (bbl) to transport the used oil from operations outside the Federal estate to their current operations at SRF. The oil would be off-loaded in existing concrete-lined areas in the oil slop process areas of Tank Settings 1-27 or 1-33. The used oil would then be cycled back into the treater and separator process loop before being introduced into SRU's crude oil transport line. Used oil volumes would be measured, manifested and compliant with all DOT regulations.

Why is this use being proposed or reevaluated?

The Applicant applied for a ROW permit to transport and recycle used oil on the Refuge under Title XI of ANILCA. Pursuant to Title XI and 43 CFR 36 requirements, the proposed use must be compatible with the purposes for which the Refuge was established. This determination was made in accordance with the National Wildlife Refuge System Administration Act of 1966 as amended by the National Wildlife Refuge System Improvement Act of 1997 (16 U.S.C. 3101, 664, 668dd and 668ee and 43 U.S.C. 666) and National Wildlife Refuge System compatibility policy (603 FW 2).

The Swanson River Field was the first substantial commercial oil discovery in Alaska, coming on line in 1957. The original lease was granted under the provisions of the Minerals Leasing Act of 1920 and is now held by Hilcorp Alaska, LLC. The SRF occupies approximately 7,880 acres of the Refuge with one road accessing the field, named Swanson River Road. Sub-surface or "down-hole" operations within the Field are administered by the Bureau of Land Management (BLM) under the provisions of the Minerals Leasing Act; surface use and occupancy are coordinated with the Refuge via the provisions of a Lease Agreement and through the review of annual plans of development and operations. Activities within the lease area for exploration and development of oil and natural gas are legal entitlements held by Hilcorp and are not subject to a compatibility review.

On the Kenai Peninsula, the two oil fields that contain appropriate oil processing facilities to recycle used oil are SRF and Beaver Creek Unit, also occurring on the Refuge. Of the two fields, SRF was selected for its longer anticipated longevity of oil production. Swanson River Road has daily oil- and gas-related traffic. The anticipated one truckload a month will not significantly impact overall road use.

Availability of Resources

Oversight of this ROW permit would require staff effort before and during the life of the permit. Staff time would be focused on ensuring safety requirements are met, composition and submission of the necessary NEPA documents, and conducting site visits. Following all necessary approvals, staff time would include execution of the ROW permit with appropriate bonding and other required documents in addition to field monitoring to ensure compliance with provisions of the permit. Annual monitoring would focus on permit compliance through adherence to safety requirements and verifying used oil manifests and associated records.

Category and Itemization	One-time Cost	Recurring Annual Expenses
Staff time - Planning	\$15,000	--
Staff time - Operation and Maintenance	--	\$2,500
Total one-time expenses	15,000	--
Total recurring annual expenses	--	\$2,500
Offsetting revenues	--	--
Total expenses	--	\$17,500

Anticipated Impacts of the Use

The effects of the proposed use to Refuge purposes and the Refuge System mission are those that are reasonably foreseeable and have a reasonably close causal

relationship to the proposed use. This compatibility determination evaluated for short- and long-term impacts of the use on the Refuge and found no anticipated impacts.

Public Review and Comment

The draft compatibility determination will be available for public review and comment for 14 days from the date this notice is published. The State of Alaska have been asked directly to review and comment on the draft compatibility determination. The public will be made aware of this comment opportunity through the Peninsula Clarion and Anchorage Daily newspapers. A hard copy of this document will be posted at the Refuge Headquarters at 333998 Ski Hill Road, Soldotna, AK 99669. It will be made available electronically on the Refuge website (<https://www.fws.gov/refuge/kenai>). Please let us know if you need the documents in an alternative format. Concerns expressed during the public comment period will be addressed in the final determination.

Please submit comments to kenai@fws.gov or by mail to:

Kenai National Wildlife Refuge

Attn: Steve Miller - Hilcorp Used Oil ROW Application

PO Box 2139, Soldotna, AK 99669

Determination

Use is compatible with the following Stipulations.

Stipulations Necessary to Ensure Compatibility

Although there are no anticipated negligible impacts, this proposed action will increase the risk of oil spills along the roads of the transportation route. The stipulations to mitigate this risk are as follows:

- Non-National Bridge Inventory bridges are to be inspected at 24-month intervals by certified bridge inspectors unless they meet the criteria

described in the Service's bridge safety policy (362 FW 3). If all criteria are met, bridges may be inspected at 48-month intervals. Criteria are as follows:

- Structural condition ratings are seven or higher,
- Scour condition ratings are seven or higher,
- The bridge does not have fracture critical members, and
- The bridge's estimated remaining life is greater than 10 years.
- Bridge load rating of associated bridges will be posted and not exceeded.
- Used oil origin is documented, measured, and manifested. This information will be reported to the Refuge within 24 hours of receipt in SRF.
- Drivers transporting the used oil must be properly trained with the appropriate certifications and follow all federal and state laws and regulations including the Department of Transportation, the Environmental Protection Agency, and the Alaska Department of Environmental Conservation. Certified drivers must submit their records to the Refuge on an annual basis.
- Additionally, truck drivers must follow the speed limit on Swanson River Road of 35 miles-per-hour during good driving conditions, and slower during hazardous conditions.
- Current spill plans and contingency plans must be submitted directly to the Refuge and in a timely manner. The Refuge must be notified immediately of any spills resulting from this used oil transportation.
- Up to 12 truckloads a year may be permitted through this ROW permit.

Justification

The Refuge found no anticipated impacts that rise to a level so as to materially interfere or detract from achieving Refuge purposes of fulfilling the NWRS mission. Therefore, the Applicant's proposal to transport and recycle used oil through and into the Refuge, outlined in this compatibility determination, with continued management and oversight by the Refuge to mitigate for potential impacts to resources including wildlife, habitats and water quality, are compatible with meeting the NWRS mission and fulfillment of Refuge purposes to: (i) "conserve fish and wildlife populations and habitats in their natural diversity...", (ii) "fulfill international treaty obligations ... with respect to fish and wildlife and their

habitats, ” (iii) ensure ...water quality...,” and with purposes under the Wilderness Act.

Allowing the transportation and recycling of used oil, as outlined above, would not conflict with the requirements of ANILCA to conserve fish and wildlife populations and habitats in their natural diversity or the NWRS Administration Act, as amended, to maintain the biological integrity, biological diversity, and environmental health of the Refuge.

Signature of Determination

Refuge Manager Signature and Date

Signature of Concurrence

Assistant Regional Director Signature and Date

Mandatory Reevaluation Date

This CD will expire at the same time as the ROW permit issued for this use expires.

Literature Cited/References

USFWS. 2010. Revised Comprehensive Conservation Plan and Environmental Impact Statement (2 volumes): Kenai National Wildlife Refuge. USFWS, Region 7, Division of Conservation Planning & Policy, Anchorage, AK.