

ALASKA DEPARTMENT OF NATURAL RESOURCES

Water Resources Section

TO: Mike Walton, NRM II

DATE: August 28, 2018

FROM: Jenny Wynne, NRS II

FILE NUMBER: TWUA F2018-116
Coeur Alaska, Inc. – Kensington Gold Project

The subject Temporary Water Use Authorization case file has been reviewed for accuracy and conformance with statutes and regulations. The following comments, recommendations, or corrections are presented.

Check for duplicate water use authorization:

There are no existing water rights or active temporary water use authorizations for the water sources (the requested reaches of the two requested creeks) requested under the TWUA F2018-116 application.

Agency Notice:

- Agency notice dated: July 10, 2018.
- Deadline for comments: July 25, 2018.
- ADF&G Habitat: “No Fish Habitat Permits are required for the proposed water withdrawal locations.” according to 7/20/2018 email from J. Zutz, Habitat Biologist.
- Alaska Department of Environmental Conservation: No Comment.

Project Description:

Water will be used in support of exploration drilling activities associated with the multi-year Kensington Gold Project. Applicant proposes to withdraw exploration drilling water from two creeks (Ophir Creek and Sherman Creek) to supply water to two drill rigs. Both creeks may have water withdrawn from them at the same time.

Daily Duration and Months of Use

Water use activities will be conducted up to 24 hours per day (or as otherwise limited by the maximum authorized gallons per day) April 1st through November 30th of each authorized year (2018-2023).

Proposed use of water being evaluated:

- Exploration Activities: A maximum withdrawal of 14,400 gpd per creek at a maximum pump or gravity flow withdrawal rate of 10 gpm (0.022 cfs) per water intake from April 1st through November 30th from two creeks.

Effect on fish and game:

No effect on fish and game is anticipated for this project. When a fish habitat permit is required for a project, any ADF&G Habitat approval of the proposed use of water is subject to the project description and any listed stipulation(s) on said fish habitat permit. Any issued Fish Habitat TWUA F2018-116, Review and Determination

Permits are listed above. When ADF&G Habitat issues a fish habitat permit for a proposed use of water, it represents that ADF&G Habitat is satisfied that the proposed use of water will still leave enough water flow and/or water level in the requested water source to provide for fish, fish habitat, and/or fish passage.

The conditions on an issued TWUA authorization are designed to minimize near-term, long-term and cumulative impacts to the environment. Pursuant to AS 46.15.155(d), both ADF&G-Habitat Division and Alaska Department of Environmental Conservation (ADEC) were notified about this application. If either ADF&G or ADEC had concerns about near-term, long-term, or cumulative impacts to the environment attributable to the withdrawal, transport, use or discharge of the withdrawn water, they would have commented with those concerns. This case file does not contain any actual proof of likely to be harmful near-term or long-term impacts or documented harmful cumulative impacts to the environment attributable to the requested or previous water withdrawal activities associated with this project.

Prior Appropriators and Nearby Temporary Water Use:

A land information search for Case Category 8 (water) within Section 32, Township 34 South, Range 62 East, Copper River Meridian, and Sections 4 and 9, Township 35 South, Range 62 East, Copper River Meridian, revealed no active temporary water use authorization(s) or active surface water rights (within the searched Sections) for the water sources requested for this project.

TWUP J2013-06 for this project expired 6/17/2018 and that case file is closed. The active TWUA F2017-021 authorization is for different water sources than requested by the TWUA F2018-116 application. Any upstream or downstream (of the above-described searched sections) uses of water from Ophir and Sherman Creeks are also for use with the Kensington Gold Project. And as noted above, the requested maximum 10 gpm water withdrawal rate per intake is equivalent to just 0.022 cfs. Therefore, it has been determined that issuing a temporary water use authorization for the TWUA F2018-116 application will not unduly impact any prior appropriators (including instream flow reservations) or applications for water rights or instream flow/lake level reservations in the area that require further consideration on account of such use.

No water right or priority is established by a temporary water use authorization. The Department may suspend operations authorized under an issued temporary water use authorization whenever such suspension shall in its judgment be necessary to protect the public interest or that of a prior appropriator. Authorization as to one or more of the requested sources could be amended, modified or revoked as necessary (without revoking the entire temporary water use authorization) to supply water to lawful appropriators of record or to protect the public interest, or the entire temporary water use authorization could be revoked.

Proposed means of construction:

Adequate. A site plan was included with the application packet.

Effect upon access to navigable or public water:

No foreseeable effects upon access to navigable or public water ways.

It is interpreted that the proposed use of water is in the public interest. This file contains no evidence of a likelihood of harm to the public interest. Furthermore, it is inferred that the applicant has the intent and ability to complete the project.

Recommendation: Issue Temporary Water Use Authorization

Concurrence Other: _____

Michael Walton
Signature

August 28, 2018
Date

Michael Walton, Natural Resource Manager II
Title

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d), and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; faxed to 907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(6), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b).