



File Code: 2820

Date: December 13, 2002

Dear Friend of the National Forest:

Enclosed is the Decision Notice and Finding of No Significant Impact for approving Cassandra Energy Corporation's Plan of Operations for oil and gas drilling near Katalla, Alaska. There are two major components of the Plan of Operations: (1) exploratory oil and gas drilling operations, and (2) access to the drill site and crew camp site which consists of barging equipment and supplies up the Katalla River from the Gulf of Alaska; and construction of 550 feet of new temporary access road, establishment of a temporary staging area, and use and maintenance of an existing temporary access road on National Forest System lands.

On April 30, 2002, an Environmental Assessment was released for a 30-day public review and comment period as per 36 CFR 215.3. During the review period, Cassandra Energy Corporation sought review with the State of Alaska under the Coastal Management Program. In this review, the Alaska Department of Fish and Game objected to Alternative 2, and suggested a modification of the Alternative. A new modified Alternative is now Alternative 4. The Forest Service decided to revise the EA rather than supplement the existing EA, to avoid confusion and clarify information in the first EA. The Revised Environmental Assessment was released for public review and comment on September 25, 2002 as per 36 CFR 215.3. The Forest Service completed a Revised Environmental Assessment to evaluate potential effects of approving Cassandra Energy Corporation's Plan of Operations for oil and gas drilling near Katalla, Alaska.

Approval of this Plan of Operations constitutes a federal action because the proposal is to drill directionally from private land into Chugach Alaska Corporation's reserved oil and gas estate, which invokes the terms of the 1982 CNI (Chugach Natives Incorporated, now Chugach Alaska Corporation) Settlement Agreement thereby requiring Forest Service approval; and the temporary access road is located on federal lands.

The responsible official is:

Dave R. Gibbons, Forest Supervisor
Chugach National Forest
3301 C St.
Anchorage, Alaska, 99503-3998

The decision and accompanying Environmental Assessment can be obtained from the Cordova District Ranger, P.O. Box 280, Cordova, Alaska, 99574-0280; and the Forest Supervisor's Office, 3301 C St., Anchorage, Alaska, 99520. The documents are also available on the Internet at:

http://www.fs.fed.us/r10/plans_projects/katalla/index.html

The decision is subject to appeal pursuant to 36 CFR 215. Appeals must be filed with the appeal



deciding officer:

Dennis Bschor, Regional Forester
USDA Forest Service
Alaska Region-Region 10
P.O. Box 21628
Juneau, AK 99802-1628

The appeal must be postmarked and submitted to the Appeal Deciding Officer within 45 days of the date of publication of a Legal Notice in the *Anchorage Daily News* on December 13, 2002, in accordance with 36 CFR 215.13.

For more information on this Environmental Assessment please call Ken Hodges, Cordova Ranger District at (907) 424-4738; or Chuck Frey, Supervisor's Office, Anchorage, at (907) 743-9557. Thank you for your interest in the Chugach National Forest.

Sincerely,



DAVE R. GIBBONS
Forest Supervisor

Enclosure