



**US Army Corps  
of Engineers®**

**August 2005**

**FINAL**

**ENVIRONMENTAL ASSESSMENT**

**FOR THE**

**CANDY LAKE LAND TRANSFER PROJECT**

**OSAGE COUNTY, OKLAHOMA**



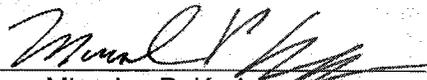


## FINDING OF NO SIGNIFICANT IMPACT

In accordance with the National Environmental Policy Act of 1969, including guidelines in 33 Code of Federal Regulations, Part 230, the Tulsa District has assessed the environmental impacts of the Candy Lake Land Transfer Project which proposes to convey the Government's interest in the land acquired for the Candy Lake Project, Candy Lake, Oklahoma. The previous owners of the land, or their descendents, would be given the first option to purchase the property at Fair Market Value. Candy Lake was a multipurpose project authorized for the purpose of flood control, water supply, recreation, and fish and wildlife. Construction began in September 1976 and was about 15 percent complete when, in 1981, a U.S. Justice Department decision withdrew condemnation proceedings to acquire mineral rights from the Osage Indian Nation. In 1984 the project was placed in a deferred status. Congressional legislation was required to resume condemnation proceedings but was not passed and is not pending. Public Law 106-53, Section 563 (c) of the Water Resources Development Act of 1999, requires the property to be conveyed from Government ownership. This Environmental Assessment was prepared in accordance with U.S. Army Corps of Engineers Regulations, Part 230, Policy and Procedures for Implementing the National Environmental Policy Act. Prior to the land conveyance, consultation would be initiated with the State Historic Preservation Office and/or Tribal Historic Preservation Office to insure that appropriate mitigation measures would be implemented in compliance with all levels of Section 106 and NEPA processes. It has been determined from the enclosed Environmental Assessment that the project would have no significant adverse effects on the natural or human environment. Therefore, an environmental impact statement would not be prepared.

5 JUL 05

Date



Miroslav P. Kurka  
Colonel, U.S. Army  
District Engineer

Enclosure  
Environmental Assessment



**Final**

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FOR THE  
CANDY LAKE LAND TRANSFER PROJECT  
OSAGE COUNTY, OKLAHOMA**

**August 2005**

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Tulsa District

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## EXECUTIVE SUMMARY

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**PROPOSED ACTION:**

The Proposed Action would return 3,658 acres of fee-owned land plus 351 acres of easement interest in Osage County, Oklahoma currently owned by the Federal Government, to private ownership. The 26 parcels of fee-owned land would be offered to the original 21 landowners, or their descendants, at fair market value. If the original landowners or their descendants do not wish to purchase their original parcel(s), the land would be disposed of through the normal disposal process in accordance with PL 107-217. No parcels would be subdivided; parcels would only be sold in their original configuration and only at fair market value. However, after the parcels are sold, they can be subdivided in any legal manner.

If some or all of the parcels are not purchased by the original landowners or their descendants and enter the Federal screening process, it is probable that the remainder would be transferred to other eligible Federal agencies. If no other Federal agencies express interest, then the remaining tracts would be offered for public sale. However, the Osage Nation has expressed interest in acquiring any remaining tracts, and since the area is former tribal land, the Nation would have first option under PL 93-599.

**PURPOSE AND NEED FOR THE PROPOSED ACTION:**

The purpose of the Candy Lake Land Transfer Project (Project) is for the Government to divest its interest in the land originally obtained to construct a multi-purpose flood control reservoir. An agreement as to the mineral rights for the land could not be reached with the Osage Nation; therefore, the flood control reservoir was never built. Because the reservoir was never built and the project has now been de-authorized by Congress, the Government is required to dispose of the property.

Public Law 106-53, Section 563 (c) of the Water Resources Development Act of 1999, requires the property to be conveyed from Government ownership. This requirement includes conveying all right, title and interest of the United States in and to the land acquired for the Candy Lake project. Additionally, it requires that the Government must give a previous owner of the land and their descendants, the first option to purchase the land.

ALTERNATIVES TO THE  
PROPOSED ACTION:

Alternatives addressed in the Environmental Assessment (EA) include the No Action Alternative, and the Proposed Action Alternative. No other alternatives meet the project's purpose and need.

ENVIRONMENTAL IMPACTS  
OF THE PROPOSED  
ACTION:

No direct impacts are anticipated from the conveyance of the Candy Lake lands to private ownership. Some minor indirect impacts to land use, soils, vegetation and wildlife may occur. Indirect adverse impacts to cultural resources from the loss of Government protection would be mitigated to a less-than-significant level by completing consultation with the Oklahoma State Historic Preservation Office and the Osage tribe and implementing required preservation measures before the transfer of any parcels to private ownership.

CONCLUSIONS:

Based upon the results of the EA, it has been concluded that the Proposed Action would not have a significant adverse effect on the environment.

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**SECTION 1.0**  
**PURPOSE, NEED AND SCOPE**





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## **1.0 PURPOSE, NEED AND SCOPE**

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This Environmental Assessment (EA) addresses the potential impacts of the proposed transfer of Federal land to private ownership at Candy Lake near Barnsdall, Oklahoma (Figure 1-1). The land transfer is being proposed by the U.S. Army Corps of Engineers (USACE) to comply with the requirements of Public Law 106-53, Section 563 (c) of the Water Resources Development Act of 1999, requiring the property to be conveyed from Government ownership. This EA was prepared in accordance with the National Environmental Policy Act (NEPA) of 1969, USACE Planning Guidance Notebook ER 1105-2-100 and the President's Council on Environmental Quality (CEQ) Regulations for the Implementation of NEPA.

### **1.1 BACKGROUND AND PROJECT DESCRIPTION**

The Candy Lake project was originally planned as a multi-purpose reservoir that would improve flood control on the Arkansas River. As part of the reservoir development, 26 tracts of land were acquired from 21 landowners. The land was primarily acquired through condemnation. Construction began in September 1976 and was about 15% complete when, in 1981, a U.S. Department of Justice decision withdrew condemnation proceedings to acquire mineral rights from the Osage Nation. The Candy Lake project was placed in deferred status in 1984 and the project was ultimately de-authorized in 1994. The Tulsa District made the Candy Lake lands available for leasing for agricultural and grazing purposes. Previous landowners had priority leasing rights. The Tulsa District advertised the area for lease on a yearly basis by competitive bid procedures in subsequent years. Additionally, in the late 1980s, the Tulsa District entered into a letter agreement for cooperative wildlife management with the Oklahoma Department of Wildlife Conservation (ODWC). The agency managed all of the Candy Lake project lands for wildlife following an ODWC-prepared wildlife management plan. The wildlife management plan included items such as fencing, sign posting, boundary marking and other management activities designed to prevent public trespass on adjacent private lands and illegal uses of public lands. The lands were made available for hunting, fishing and grazing. The letter agreement between the USACE and ODWC has been terminated. However, the area remained open for seasonal hunting.

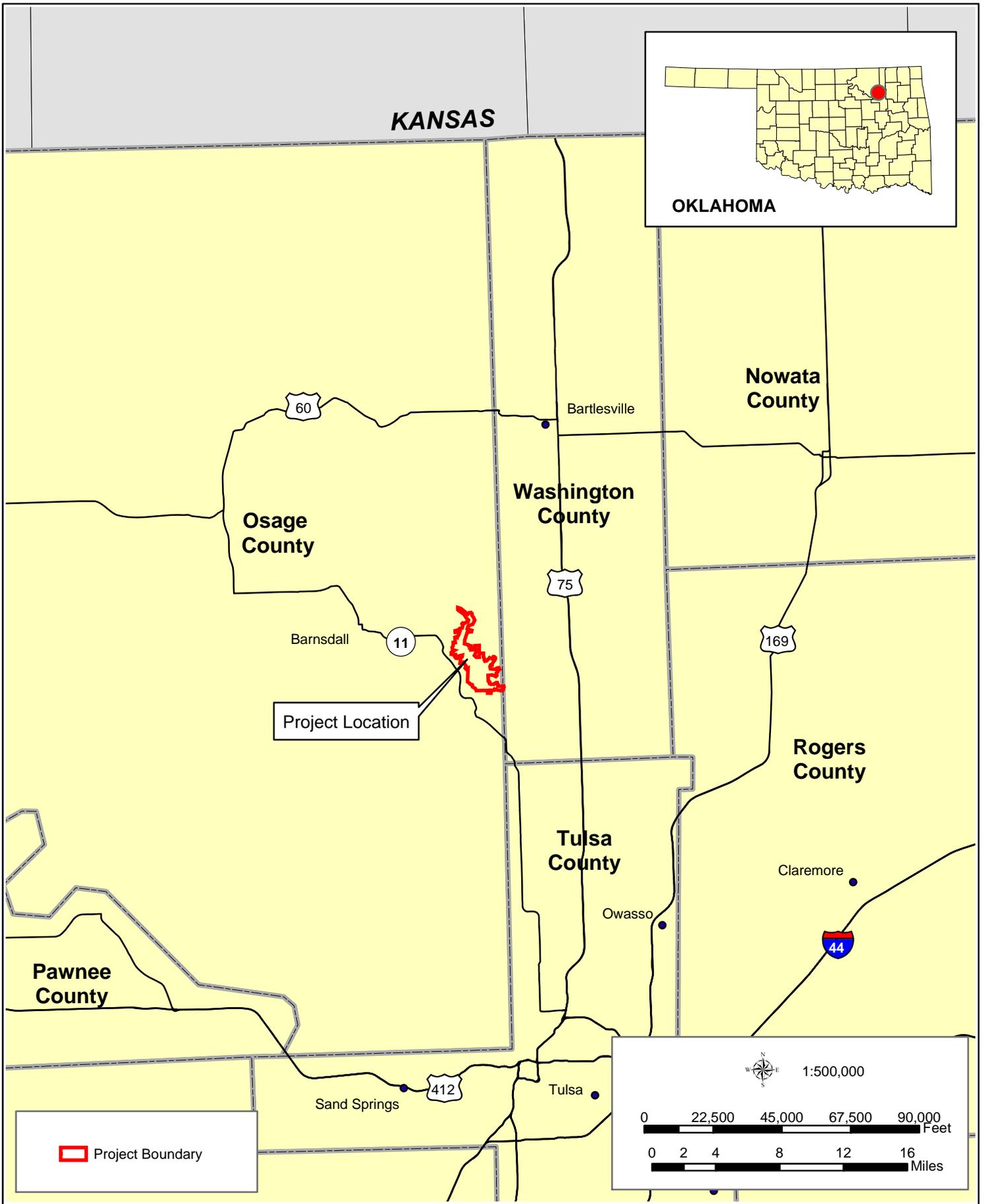


Figure 1-1: Vicinity Map

All former outgrants have expired, including 44 flowage easements and the three road easements. Oil and gas activity still occur at Candy Lake. Currently, the USACE has four active consents for mineral exploration.

The Government proposes to dispose of the Candy Lake Reservoir Area according to The Water Resources Development Act of 1999, Public Law (P.L.) 106-53. Section 563(c) of this legislation directs the conveyance of the Government's interest in the land acquired for the Candy Lake Project. The USACE conveyance project would offer the option of purchasing the 26 tracts of land originally acquired to construct Candy Lake to the original 21 landowners (including corporations) and their descendants, at fair market value. The parcels would be processed for Federal screening if the original landowners are not interested in purchasing them.

## **1.2 LOCATION OF THE PROPOSED ACTION**

The Candy Lake Reservoir area is located in southeastern Osage County, Oklahoma, approximately 45 miles north of Tulsa. The project area totals 3,658 acres and is located east of the towns of Barnsdall and Avant, Oklahoma (Figure 1-2). Candy Creek, a tributary of Bird Creek, bisects the project site.

## **1.3 PURPOSE AND NEED**

The purpose of the Candy Lake Land Transfer Project (Project) is for the Government to divest its interest in the land originally obtained to construct a multi-purpose flood control reservoir. An agreement as to the mineral rights for the land could not be reached with the Osage Nation; therefore, the flood control reservoir was never built. Because the reservoir was never built and the project has now been de-authorized by Congress, the Government is required to dispose of the property at fair market value.

The Water Resources Development Act of 1999, P.L. 106-53, Section 563 (c), requires the property to be conveyed from Government ownership. This requirement includes conveying all right, title and interest of the United States in and to the land acquired for the Candy Lake project. Additionally, it requires that the Government must give a previous owner of the land and their descendants, the first option to purchase the land.

