Department of Natural Resources





DIVISION OF OIL & GAS 550 WEST 7TH AVENUE, SUITE 1100 ANCHORAGE, ALASKA 99501-3563 Main: 907.269-8800 Fax: 907.269-8939

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STATEWIDE GEOTHERMAL EXPLORATION PROGRAM: NOMINATION OF LANDS

The Alaska Department of Natural Resources (DNR), Division of Oil and Gas (Division) is soliciting Nominations of Lands with geothermal resources for potential future disposal. Geothermal energy is a thermal energy resource typically found along major tectonic plate boundaries. The most active geothermal area in the world, known as the Ring of Fire, is located along Alaska's coast and the contiguous United States' west coast, where most domestic geothermal power generation occurs. Alaska has millions of acres of state land available for exploration of geothermal resources. The geothermal potential in Alaska is largely unknown, unexplored, and filled with opportunities to offset high electricity rates in urban and rural areas.

The Division administers the geothermal exploration and development program in Alaska. Beginning this year, and biannually thereafter, the Division will solicit an informal Nomination of Lands period to identify areas for designations as proposed geothermal disposal areas (PGDA) for potential future geothermal lease sales or prospecting permits. Nominated lands are not automatically designated as PGDAs or offered for lease or prospecting permit.

The DNR commissioner has broad discretion on whether to designate PGDAs. Upon DNR's designation of a PGDA and Call for Applications, interested parties may submit applications on tracts within the PGDA. The response to the Call for Application will dictate whether the Division holds a competitive lease sale or issues noncompetitive prospecting permits.

Geothermal prospecting permits are valid for two years and may be renewed for one additional year. A geothermal prospecting permittee may convert the permit to a non-competitive geothermal lease. Competitive geothermal leases are issued for a primary term of 10 years. Geothermal leases may be renewed for one additional term of five years. Only state-owned, unencumbered lands south of the Umiat Baseline will be available for lease or permit. The Mt. Spurr area was the most recently explored area of the state until October 2016.

To nominate geothermal lands, please provide the Division with a letter of interest identifying state lands to be considered for future disposal. Nominations must be provided to the Division by November 14, 2018. Letters of nomination can be mailed to our offices at 550 W. 7th Ave, Suite 1100, Anchorage, AK 99501 or emailed to <u>dog.geothermal@alaska.gov</u>.

The statutes and regulations governing Alaska's geothermal leasing program can be found in AS 38.05.181 and 11 AAC 84.700-745. Please visit the Division's webpage on <u>Geothermal</u> exploration or the following links for locations of geothermal resources in the state: <u>Geothermal</u> Resources of Alaska Map or Fossil Fuel and Geothermal Energy Sources for Local Use in Alaska.

For more information on Alaska's Geothermal Program, please contact the Division at <u>dog.geothermal@alaska.gov</u> or (907) 269-8800.