



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Natural Resources**

COMMISSIONER'S OFFICE

550 W 7th Avenue, Suite 1400  
Anchorage, AK 99501-3560  
Main: 907.269.8431  
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January 27, 2017

CERTIFIED MAIL  
RETURN SERVICE REQUESTED

Nathan C. Lowe  
Land Manager  
Armstrong Energy, LLC  
1421 Blake Street  
Denver, CO 80202

Re: Automatic Unit Termination, Qugruk Unit

Dear Mr. Lowe,

In a decision dated January 26, 2012 the State of Alaska, Department of Natural Resources, Division of Oil and Gas approved the Qugruk Unit under the terms and conditions of the Qugruk Unit Agreement. Article 14.2 of the Qugruk Unit Agreement states that the agreement will automatically terminate five years from the Effective Date in accordance with 11 AAC 83.336. Conditions for extension described in 11 AAC 83.336 have not been met, therefore the Qugruk Unit has automatically terminated effective January 27, 2017.

An eligible person affected by this decision may request reconsideration of it in accordance with 11 AAC 02. Any request for reconsideration 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 Andrew T. Mack, Commissioner, Department of Natural Resources, 550 W 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). This decision takes effect immediately. An eligible person must first request reconsideration of this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. If the Commissioner does not act on a request for reconsideration within 30 days after issuance of this decision, the request for reconsideration is considered denied and this decision becomes a final administrative order and decision on the 31st day after issuance for the purposes of an appeal to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Sincerely,

*1/27/17*  
*Max Chiggiv for*

Andrew T. Mack  
Commissioner

CC: Chantal Walsh, Director, Division of Oil & Gas  
Teresa Imm, Vice President, Resource Development, Arctic Slope Regional Corporation  
Denny Henderson, Land Manager, Alaska, Repsol  
Department of Law