



THE STATE  
*of* **ALASKA**  
GOVERNOR BILL WALKER

Department of Natural Resources

Division of Oil & Gas  
Anchorage Office

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June 2, 2017

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Bruce Webb  
Sr. Vice President  
Furie Operating Alaska, LLC  
188 W. Northern Lights Blvd., Suite 620  
Anchorage, AK 99503

Re: Kitchen Lights Unit – Amendment to 4th Plan of Development – Approved

Dear Mr. Webb:

The Department of Natural Resources, Division of Oil and Gas (Division) received Furie Operating Alaska, LLC's (Furie) proposed amendment to its 4th Plan of Development (POD Amendment) for the Kitchen Lights Unit (KLU). The POD Amendment is dated May 29, 2017, but was emailed to the Division on May 30, 2017.

In its 4th POD, approved by the Division on December 8, 2016, Furie committed to development activities in the Corsair block, with an alternative plan to explore in the North block. Specifically, Furie committed to:

- Complete the KLU #A1 well in the Corsair block by November 30, 2017.
- Either (a) by November 30, 2017, drill and log a development well in the Corsair Block to the Sterling flow test zone reached by the KLU #3 well and present DNR with a plan for completing the well; or (b) by December 30, 2017, drill and log the KLU #4 exploration well in the North Block.

The POD Amendment changes alternative (b), above, to state that by December 30, 2017, Furie with drill and log either KLU #4 or KLU #6-Deep Jurassic. The KLU #6-Deep Jurassic well is proposed for ADL 389198 in the Corsair Block. Furie previously labeled a prospective well in ADL 389924 as "KLU #6," but has renamed it KLU #13.

When considering a POD, the Division considers the public interest, conservation of natural resources, prevention of economic and physical waste, protection of all interested parties, including the state, environmental cost and benefits, geological and engineering characteristics or reservoirs or potential hydrocarbon accumulations, prior exploration activities, plans for exploration or development, economic costs and benefits to the state, and any other relevant factors, including mitigation measures. 11 AAC 83.303(a), (b). The Division considered these factors in approving earlier PODs for the KLU and incorporates those findings by reference.

In approving the 4th POD, the Division concluded that Furie's plans, even offered as alternatives, further the State and public interest in development of the resources. The POD Amendment adds an additional alternative. Furie continues to commit to drilling a well, but under the Amended POD, it will be (1) a development well in the Corsair Block; (2) an exploratory well in the Corsair Block; or (3) an exploratory well in the North Block. Each of these alternatives is an opportunity to further explore or develop the unit, which protects the State's economic interests in developing its resources.

Considering the 11 AAC 83.303 criteria and Furie's work commitments, the Division finds that the 4th POD is in the public interest. The Division therefore approves the Amended POD. The 4th POD, as amended, is for the period January 5, 2017 through January 4, 2018. Under 11 AAC 83.343, the 5th POD is due October 6, 2017, 90 days before the 4th POD expires. This approval is only for a general plan of development. Specific field operations will require an approved Plan of Operations.

An eligible 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 Andrew T. Mack, Acting 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 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.

If you have questions regarding this decision, contact Becky Kruse with the Division at 907-269-8799 or via email to [Becky.Kruse@Alaska.gov](mailto:Becky.Kruse@Alaska.gov).

Sincerely,



Chantal Walsh  
Director