



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

Division of Oil & Gas
Anchorage Office

550 W. 7th Avenue, Suite 1100
Anchorage, Alaska 99501-3560
Main: 907.269.8800
Fax: 907.269.8939

June 6, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

J. Edward Jones, President
Aurora Gas, LLC
4645 Sweetwater Blvd, Suite 200
Sugar Land, TX 77479

Re: Extensions of Nicolai Creek and Three Mile Creek Plans of Development

Dear Mr. Jones,

The Department of Natural Resources, Division of Oil and Gas (Division) received Aurora Gas, LLC's (Aurora) June 5, 2017 resubmission of Plans of Development (POD) for the Three Mile Creek lease operations and Nicolai Creek Unit. As Aurora notes in the draft PODs, bankruptcy proceedings are ongoing and Aurora anticipates either a sale of its membership or shut-in and abandonment of the wells. A sale could substantially alter Aurora's plans; abandonment would alter Aurora's plans entirely. Given this level of uncertainty, and the upcoming hearings in bankruptcy court, the Division has determined that it would be more appropriate to extend Aurora's existing PODs for a short time rather than approve new PODs.

Accordingly, the Three Mile Creek and Nicolai Creek PODs are extended until October 1, 2017. If the bankruptcy proceedings result in a sale of Aurora's membership or assets, the Division will expect a resubmittal of PODs, including updated information, as soon as practicable. The Division anticipates providing a specific deadline after more information is available about the direction of the bankruptcy proceedings.

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. 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 at Becky.Kruse@Alaska.gov.

Sincerely,

A handwritten signature in blue ink that reads "Chantal Walsh".

Chantal Walsh
Director