



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF OIL & GAS

550 W 7th Avenue, Suite 1100

Anchorage, AK 99501-3560

Main: 907.269.8800

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March 16, 2018

CERTIFIED MAIL
RETURN SERVICE REQUESTED

Samuel Nappi
President
Alliance Exploration LLC
634 Main Street, Suite 300
East Aurora, NY 14052

Re: Guitar Unit Initial POE Update

Dear Mr. Nappi:

In my August 23, 2017 decision approving your application to form the Guitar Unit I also approved your initial Plan of Exploration (POE). Because the term of your POE was greater than one year I required yearly updates due on or before December 31 of each year so that the Division would be informed about the progress of planning and drilling the well required by the POE. The Division has not received your yearly update that was due December 31, 2017. My staff has emailed and called Mr. Barry Foote to discuss this issue.

Please submit your yearly update as was required by your approved POE. Failure to comply with the terms of an approved POE are grounds for default of the unit.

Should you have any questions, please contact the Kevin Pike at 907-269-8451 or Kevin.Pike@alaska.gov

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, 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.

Sincerely,

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

Chantal Walsh,
Director