



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  
Fax: 907.269.8939

September 26, 2018

CERTIFIED MAIL  
RETURN SERVICE REQUESTED

Marty Weeks  
UltraStar Exploration, LLC  
6435 Lavendale Ave  
Dallas, TX 75230

Re: Dewline Unit Notice of Expiration

Dear Ms. Weeks:

The Department of Natural Resources (DNR), Division of Oil and Gas (Division) hereby gives a renewed notice to UltraStar Exploration, LLC (UltraStar) that the Dewline Unit has expired.

The Division approved the Dewline Unit, effective June 4, 2009. A unit expires five years later unless extended under 11 AAC 83.336. In a June 5, 2014 decision, the DNR Commissioner found UltraStar did not meet the regulatory requirements to qualify for a unit extension and thus the unit had expired. On reconsideration, the Commissioner affirmed his conclusion UltraStar could not qualify for a unit extension and noted another pending appeal related to a Plan of Exploration (Plan) for the unit was moot. UltraStar appealed to superior court. In a February 1, 2016 decision, the superior court stated the Commissioner should not have dismissed the Plan appeal as moot and remanded to the Commissioner for a decision on the merits of the Plan appeal. The court did not remand the Commissioner's decision regarding UltraStar's inability to qualify for a unit extension or find legal error in that conclusion. The Commissioner denied UltraStar's Plan appeal on August 10, 2018.

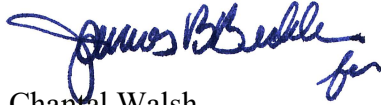
The Dewline Unit remains expired. The leases in the unit automatically extended for 90 days after the June 4, 2014 unit expiration, but thereafter were set to expire, as specified in Paragraph 15.2 of the Dewline Unit Agreement. Because of the ongoing appeals, the Division did not give notice of the lease expiration and UltraStar was obligated to continue paying annual rent on the leases. The Division hereby gives renewed notice of the unit expiration and advises UltraStar that its leases will expire within 90 days of the date of this letter unless there is a basis for an automatic extension under AS 38.05.180(m).

UltraStar recently paid rent on its leases. The Division will return a prorated amount of rent when the leases expire. Relinquishing the leases sooner will result in a greater return of rent.

A 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 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "James B. Beale" with a flourish at the end.

Chantal Walsh  
Director