



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF OIL AND GAS

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

February 3, 2016

Tom Maloney  
Chief Executive Officer  
Ahtna, Inc.  
110 West 38<sup>th</sup> Ave, Suite 100  
Anchorage, AK 99503

**RE: LOAK 15-008, Ahtna, Inc., Tolsona #1 Pad, Tolsona Exploration Project,  
Exploration License Plan of Operations Decision.**

Dear Mr. Maloney:

I. INTRODUCTION

On November 11, 2015 Ahtna, Inc. (Applicant) submitted a request to the Division of Oil and Gas (Division) for approval of an Exploration License Plan of Operations (Plan) to carry out the Tolsona Exploration Project. The Tolsona Exploration Project is approximately one mile north of the Glenn Highway at Milepost 175. Approval of this Plan, along with approvals from other state and federal agencies (agencies), is necessary for Ahtna, Inc. (Ahtna) to carry out Tolsona Exploration project. Any further exploration is subject to further review and approval by the Department of Natural Resources (DNR).

II. SCOPE OF DECISION

The DNR Commissioner has delegated authority for approval of Exploration License Plan of Operations activities to the Division under Department Order: 003 in accordance with Alaska Statute (AS) 38.05 and 11 Alaska Administrative Code (AAC) 83.158 and 11 AAC 82.951. As set forth below, the Division has evaluated the proposed Plan to determine if sufficient information as required by 11 AAC 82.951 and 11 AAC 83.158 is provided. In approving a Plan, the Division may require amendments that it determines are necessary to protect the State's interests (11 AAC 83.158(e)).

The Plan application describes all aspects of the gas exploration project. The scope of this Plan authorization allows Ahtna Inc. to conduct activities as described in the Plan application after issuance of the required Entry Authorizations into the requested, pending easement areas by the Division of Mining, Land and Water (DMLW). These Entry Authorizations contemplate the proposed gravel infrastructure being reviewed in the following easement applications: ADLs 232341, 232342, and 232343.

This Plan decision does not authorize Ahtna Inc. to begin construction within the easement areas being reviewed by DMLW related to this project, ADLs 232341, 232342, and 232343 before the

Entry Authorizations are issued. If issued, the DMLW Entry Authorizations will provide the authority for Ahtna Inc. to construct the gravel roads and pad within the requested, pending easement areas. These DMLW approvals and this Plan authorization will serve complimentary purposes to meet the State DNR regulatory requirements necessary for this project.

**III. LAND STATUS**

The project area is comprised of state lands.

- A. **Division’s Leased Lands:** This section refers to Division managed oil and gas leases regardless of ownership of overlying surface lands.

Oil and Gas Exploration License: 392209

Oil and Gas Licensee: Ahtna, Inc.

Surface Ownership and Access Authorization: State of Alaska. Access Easements: ADL 232341; 232342; 232343. Exploration License: ADL 392209

Special Use Lands: No Special use lands are designated within the project area.

Jointly Managed Lands: None identified.

Other Considerations: Activities in the Plan application are proposed within an area that is characterized by previously issued easement authorization areas managed by DMLW South Central Regional Office (SCRO). Consequently, access and operation within these areas is being jointly reviewed by the Division and DMLW SCRO. Separate public notices were provided to meet statutory and requirements for both Divisions and Entry Authorizations from DMLW SCRO are required before operations approved by this Plan authorization may commence.

<b>Project Components</b>	<b>Meridian, Township, Range, &amp; Section(s)</b>	<b>GPS Coordinates</b>
Gravel Access Roads	C004N004W S:23	N/A
Gravel Pad and Project Equipment	C004N004W S:23	62.11999, 145.896474

- B. **State of Alaska Surface Lands:** This section refers to State owned surface lands where no Division managed oil and gas leases exist.

Not applicable to this project.

- C. **Non-State Lands:** This section refers to areas where the State does not own the surface land and no Division managed oil and gas leases exist.

Oil and Gas Mineral Estate Owner: Not applicable, surface use only.

Surface Ownership and Access: Tazlina, Inc.: Ahtna has an agreement to use the 1-19 pad.

Special Use Lands: Not applicable.

Jointly Managed Lands: Not applicable.

Other Considerations: None identified

<b>Project Components</b>	<b>Meridian, Township, Range, &amp; Section(s)</b>	<b>GPS Coordinates</b>
Ahtna 1-19 Pad, existing off-site staging area	C004N004W S:19	62.1122, 145.83801

**IV. PROPOSED OPERATIONS**

The Plan describes the proposed operations in full detail. Set forth below is a summary of the key details. All dates are approximate and may be altered by weather or logistical requirements. The dates will also change because some of them precede this decision. The Division reviewed this schedule with the expectation that dates early in the sequence would be altered as they have passed. Changes to the sequence and schedule of events will be reviewed by the Division prior to implementation in the field.

**A. Sequence and Schedule of Events**

<b>Project Milestone #</b>	<b>Project Milestone</b>	<b>Proposed Start Date</b>	<b>Proposed End Date</b>
1	Site preparation	12/1/2015	12/31/2015
2	Construct gravel road and pad	1/1/2016	2/15/2016
3	Mobilize equipment	2/16/2016	3/17/2016
4	Spud and drill well	3/18/2016	4/17/2016
5	Complete well	4/18/2016	4/24/2016
6	Test well	4/25/2016	5/8/2016
7	Suspend, complete or abandon well	5/9/2016	5/22/2016
8	Demobilize equipment	5/23/2016	6/12/2016
9	Site clean up	6/13/2016	6/30/2016
10	Remediation/rehabilitation	TBD	TBD

**B. Well Sites**

Ahtna submitted an application to DMLW for an easement to install a permanent gravel pad of variable length between 343 and 606 ft. and variable width from 147 to 330 ft. for an overall approximate area of 4.6 acres to DMLW. This site is located approximately one mile north of the Glenn Highway at Milepost 175. See figures in Appendix A.

Construction of the pad will include levelling brush and salvaging marketable timber, drilling a well cellar, placement of geotextile fabric, placing gravel fill and constructing a two foot containment berm on the perimeter of the pad. The pad area may be fenced during operations for safety reasons. During operations a drill rig and support equipment and facilities will be on-site.

Pending results of the well Ahtna may suspend the well in anticipation of future production from this pad.

At the conclusion of project activities for oil and gas activities authorized by the Division, the gravel roads and pad will be retained and made available for public access and a parking area for the Crosswind Lake and surrounding State public lands; this is contingent upon appropriate DMLW Entry Authorization and easement approvals being in full force and effect. All other equipment and infrastructure authorized by the Plan will be removed from the pad. The well, and any future wells, will be plugged and abandoned in accordance with applicable statutes and regulations.

A second existing pad on private land, named the Ahtna 1-19 pad, will be used for staging and storage. This pad is discussed below in section K. All Other Facilities and Equipment as it is not a 'wellsite' for this project.

#### C. Buildings

No permanent buildings are proposed in this Plan. Two temporary pre-fabricated facilities measuring 12' x 48' will be placed on the Tolsona #1 pad to serve as an office, sleeping quarters and kitchen area. Camper trailers may be present for personnel providing 24-hour surveillance for the site. Portable toilets will be located on-site. Two temporary guard stations, approximately 10' x 10', will be located on the constructed roads; one at the intersection with the Glenn Highway and the other at the intersection of the 175 trail and the road to the wellsite.

#### D. Fuel and Hazardous Substances

Fuel will be provided daily from a third party fuel service provider out of Glennallen. All fuel transfers will be conducted by trained personnel and conducted under the contractors Spill Prevention Control and Countermeasure (SPCC) plan. An emergency spill kit will be maintained by Ahtna and its third party contractors. The drill rig fuel tank is double walled and has a capacity of 5,020 gallons. No additional fuel storage is proposed.

Hazardous wastes anticipated include batteries, glycol and motor oil. In accordance with the temporary Waste Storage Plan filed with the Department of Environmental Conservation these wastes will be temporarily stored onsite until disposed of offsite. As needed, a third party contractor based in Glennallen will transfer hazardous wastes for offsite disposal.

Drilling Wastes will be temporarily stored in double walled tanks on the Ahtna 1-19 pad in accordance with applicable laws and regulations. The wastes will be tested and treated as required prior to final disposal at the Glennallen Regional Landfill or in Nikiski AIMM Drilling Waste Disposal Facility (Monofill) pursuant to ADEC SWXA057-17.

#### E. Solid Waste Sites

All wastes streams produced during this project, including: household; gray water; sewage, and construction wastes will be collected by a third party contractor as needed and disposed of at the Glennallen Regional Landfill.

#### F. Water Supplies

Water requirements for this project include domestic water and construction and drilling water. Temporary water use from nearby sources is not proposed as part of either construction or operations activities.

Domestic water, commercially bottled, for personnel will be delivered to the Tolsona #1 pad from offsite sources and is anticipated to be 150 gallons per day.

Water required for construction and drilling will be purchased from a third party contractor extracting from a permitted water source. Water will be delivered by water trucks to the Tolsona #1 pad. Water will be used for two purposes, road maintenance and dust suppression on the road; 100,000 gallons of water is anticipated to be used for each purpose.

Water for road maintenance will be discharged as needed directly onto the road. Water for drilling will be drawn from the drilling rigs internal water tank as needed. The drilling rig proposed for use has a 16,500 gallon water tank which will be refilled as water is used. As needed, additional water may be stored on the Ahtna 1-19 pad in 100 gallon drums.

#### G. Utilities

No public utilities will be used for this project. Power will be generated onsite by 5 KW diesel generators. Additional generators will be used where needed to supply power for light plants and security stations along the access roads. The drill rig may also contain a built in generator for internal power.

#### H. Material Sites

Gravel for this project will be purchased from the Material Site 42-3-011-5, the Fisher Pit, located at Milepost 182 of the Glenn Highway. The Alaska Department of Transportation and Public Facilities lists this site as MS 42-3-011-5 and MS 42-3-046A-5. The gravel will be extracted from the Ahtna owned portion of the pit.

#### I. Roads

All roads in the Plan application are proposed within existing easement areas managed by DMLW SCRO. Consequently, access and operation within these areas is being jointly reviewed by the Division and DMLW. Separate public notices were provided to meet statutory and requirements for both Divisions and authorizations from DMLW SCRO are required before operations approved by this Plan may commence.

Two main sections of road are proposed: the section of the road within the 175 Trail of the Crosswind Trail system connected with the Glenn Highway (ADL 232341); and the section of the road which diverts from the 175 trail and continues north and east to the drilling pad location (ADL 232342). The road footprint will be approximately 40 feet wide, within the standard 60 foot wide easement, and between 2 and 8 feet thick as the topography of the area is undulating wetlands.

ADL 232341: Ahtna applied to DMLW to modify approximately 3,318 ft. of the southernmost segment of a previously authorized public access easement for the 175 Trail (part of ADL 229183, Crosswind Trail System) Figure 5a. This includes clearing and placement of gravel in addition to the construction of two variably sized parking and pull-out areas within the existing 100 ft. wide easement. The work will require disturbance of 4.8 acres of land, more or less, and temporary closure of this segment of trail during the period of construction only. The 175 trail will be open to the public once construction of the gravel road is complete.

Two pullouts/turnarounds will be constructed on this portion of the access road; one near the Glenn Highway and another near the intersection with the spur road (discussed below) leading to the Tolsona #1 drill pad.

Use of this section of the access road and pullouts/turnarounds, ADL 232341, will be shared with the public and Ahtna will have flaggers present when necessary for moving heavy equipment or the drill rig. All improvements will be retained and made available for public use once construction is complete and the route is reopened.

ADL 232342: Ahtna applied to DMLW for an easement to construct a permanent gravel road along a spur route from the existing 175 Trail to the proposed drilling pad located in the northeastern quarter of Section 23, Figure 5b. The proposed spur route will run approximately 3,265 ft. within a 60' wide easement and will include an approximately 155 ft. long by 40 ft. wide pullout for an overall area of 4.6 acres of land, more or less. This alignment will occupy a portion of the projected east-west Section Line Easement common to Sections 23 and 14. Construction will involve placement of gravel sufficient to allow for regular use by heavy equipment and vehicles. Ahtna's intended usage will require approval of a private-use easement by DMLW during the construction, exploration and subsequent phases of Ahtna's work as described in their Plan application and any successive Division of Oil and Gas lease or unit approvals. Pending appropriate authorizations from DMLW, this section of the improved route is planned to be retained by the State and made available for public use once Division of Oil and Gas authorizations are no longer in force.

#### J. Airstrips

Airstrips are not part of the proposed Tolsona exploration project.

#### K. All Other Facilities and Equipment

##### Equipment:

The Saxon 147 rig is the most likely rig to be used for this project. Major components of the rig include: pipe; boilers; mud tanks and pumps; generator and light plants. A variety of support equipment will be used and onsite as needed to support this project including but not limited to: a mini-excavator; vacuum trucks; variable reach lift trucks; and a welding truck.

##### Facilities:

##### Ahtna 1-19 Pad:

The Ahtna 1-19 pad was constructed in 2005 for gas exploration on Native land. Access to this pad is via the Glenn highway. This pad will be used for staging and storage of equipment needed during the project. Using this pad allows Ahtna to minimize the footprint of the Tolsona #1 pad.

#### L. Rehabilitation Plan

After Division approved oil and gas activities have been completed, to include LOAK 15-008 or any subsequent Division approved lease or unit plans, all equipment and facilities will be removed to the satisfaction of the Commissioner. Contingent upon appropriate authorizations being in place with DMLW SCRO the gravel roads and pad may be left in place to facilitate improved public access to the Crosswind trail and Mud Lake areas.

Authorizations appropriate for leaving the gravel roads and pads in place are being reviewed separately by DMLW SCRO.

**M. Operating Procedures Designed to Minimize Adverse Effects**

No anadromous streams are in the project area and impacts to other wildlife will be minimized by: timing activities to occur before May 1 to avoid impacts to migratory birds; disallowing project personnel to hunt as a result of access gained through employment with Ahtna; and using sound dampening enclosures for generators.

Ahtna will share road access along the 175 trail after construction of the gravel road and provide flaggers for safety when heavy equipment is moving or being mobilized. Additionally, parking areas will be constructed to facilitate public use in the area.

In approving a Plan, DNR may require amendments necessary to protect the State's interest (11 AAC 83.158(e)). The Division has determined that to protect the State's interest, it is necessary to incorporate the Tolsona Oil and Gas Exploration License Mitigation Measures. Ahtna addressed these mitigation measures in the application process, but it is necessary to amend the Plan to make clear that the Plan incorporates the Tolsona Oil and Gas Exploration License Mitigation Measures.

All plan applicants must complete a mitigation measure analysis demonstrating that each mitigation measure is satisfied or inapplicable to the proposed Plan, or that the applicant is seeking an exception. The Tolsona Oil and Gas Exploration License Mitigation Measures allow for the Division to grant an exception if the applicant shows that compliance with the measure is not practicable or that the applicant will undertake an equal or better alternative to satisfy the intent of the mitigation measure. Ahtna completed the mitigation measure analysis for the Tolsona Exploration License and seeks an exception(s) to the mitigation measure(s) discussed below

A.1.a. Exploration activities must be supported by air service, an existing road system, ice roads, or by off-road vehicles that do not cause significant damage to the ground surface or vegetation. Construction of temporary drill pads, airstrips, and roads may be allowed.

Ahtna provided the below request and explanation for the exception:

Ahtna proposes to construct permanent gravel facilities for their exploration program including an access road, two pullouts/turnarounds, and one drill pad. Ahtna proposes to utilize portions of existing section line and trail easements to access the drill pad area and enhance public access within the 175 Trail and Crosswind Trail systems. At the end of Division authorized oil and gas activities, and contingent on appropriate authorizations from DMLW, the gravel roads, turnarounds, pullouts, and drill pad would be left in place to facilitate improved public access in the area.

The intent of measure A.1.a is to minimize impacts to state surface lands by relying on temporary roads and pads. The Division finds that Ahtna has shown rationale that proposed activities in the Plan equally satisfy the intent of this mitigation measure. Ahtna's proposal addresses ongoing public access issues for the 175 Trail and the Crosswind Trail system. Ahtna's

proposal to develop the existing easements by constructing a gravel access road and two pullouts/turnarounds help minimize existing impacts to the 175 Trail and will provide a permanent road with safe access to the area. The Division grants an exception to this mitigation measure to allow for the Applicant's alternative as set forth in the Plan. This exception does not apply to activities that the Applicant may propose in future or amended Plans.

A.1.c. Permanent facilities will not be constructed during the exploration phase.

Ahtna provided the below request and explanation for the exception:

"Ahtna proposes to construct a permanent road, two pullouts/turnarounds and one drill pad using gravel. This gravel infrastructure would be used for the project life and will subsequently be returned to the DNR DMLW to facilitate public access to the area. This request is similar to the request for a waiver of A.1.a."

The intent of measure A.1.c is to prohibit permanent facilities during the exploration phase of oil and gas leasing. The Division finds that Ahtna has shown rationale that the State will benefit from the placement of the permanent gravel roads, pullouts/turnarounds and drill pad that could not have been considered during the exploration license Best Interest Finding. Ahtna's proposal provides improved public access in an area where access has been problematic due to lack of parking creating hazards on and near the Glenn Highway. Additionally, the gravel infrastructure will be placed and maintained with no cost to the State during the term of the project; at the conclusion of oil and gas activities the gravel will be left in place as unmaintained gravel access. This waiver request was discussed at length with DMLW SCRO and Ahtna has applied with DMLW SCRO to acquire the approvals necessary for constructing the gravel infrastructure within the existing easements and to leave the gravel in place at the conclusion of oil and gas activities approved by the Division. See DMLW SCRO casefiles ADLs 232341, 232342, and 232343. The Division grants an exception to this mitigation measure to allow for the Applicant's alternative as set forth in the Plan. This exception does not apply to activities that the Applicant may propose in future or amended plans. This waiver allows permanent gravel infrastructure to be placed for the project and, contingent upon necessary approvals from DMLW SCRO, to be left in place at the conclusion of oil and gas operations.

The Division has determined that to protect the State's interest, it is necessary to incorporate in the Tolsona Oil and Gas Exploration License Mitigation Measures as amendments and stipulations to this Plan (11 AAC 83.158(e)).

## V. CONSIDERATION OF EXPLORATION LICENSE PLAN OF OPERATIONS REQUIREMENTS UNDER 11 AAC 83.158(c-d) and 11 AAC 83.160

A. The State owns the surface and full payment of damages to the State are accomplished through the bond posted by the applicant discussed in subsection C below. Thus Ahtna has provided for full payment of damages prior to starting operations (11 AAC 83.158(c)).

B. Plan Sufficiency 11 AAC 83.158(d)

A proposed plan must include statements, maps, or drawings setting forth

- (1) the sequence and schedule of operations;
- (2) the projected use requirements directly associated with the proposed operations;
- (3) plans for rehabilitation;
- (4) a description of operating procedures to prevent or minimize adverse effects on natural resources and concurrent uses of the area (11 AAC 83.158(d)).

The information in section IV. Proposed Operations, above, and additional information contained in Ahtna's proposed Plan satisfy the requirements for a plan under 11 AAC 83.158(d) and thus provide the Division with sufficient information available at this time to determine the surface use requirements and impacts directly associated with the proposed operations.

#### C. Oil and Gas Bond

The State owns all the surface land where the proposed Plan activities will be located. The State owns all the mineral estate the Plan proposes to explore. For the State, a licensee remains liable for full damages under the license. Ahtna has provided a bond for Exploration License 392209, in the amount of \$100,000 and has continuing liability under the exploration license.

#### VII. CONSULTATION WITH OTHER GOVERNMENT ENTITIES

In reviewing the proposed Plan, the Division considered the fact that Ahtna may require approvals from Agencies for other elements of its project. Although mentioned in the Plan and above, these aspects of the project are not operations being approved by this decision and the Division offers no opinion on whether an agency should or should not approve these activities.

In addition to considering the approvals required by Agencies as they relate to this decision, the Division provided an Agency review and comment opportunity for the activities proposed for authorization under this decision. The following government entities were notified on 11/23/2015 for comment on the Plan: DEC, DFG, USFWS, KPB, DMLW, DNR Parks, DNR Land Sales, USACE, OPMP, AOGCC and DOT. The comment deadline was 4:30 pm Alaska time on 1/30/2016. No Agency comments were received. The Plan was then publicly noticed.

#### VIII. PUBLIC NOTICE

Public notice of the Plan and opportunity to comment, per AS 38.05.035, was published in the Alaska Dispatch News and the Copper River Record on 12/14/15 with a deadline for comments of 1/12/16 at 4:30 pm Alaska time. Additionally, a copy of the notice was posted on DNR's web site and faxes of the public notice were sent to the Glennallen and Copper Center post office(s). No comments were received.

#### IX. CONDITIONS OF APPROVAL

Having considered the proposed project, the Division approves the Plan as amended and modified by this decision and subject to the below conditions of approval and project specific stipulations:

To protect the State's interest, the Division finds that it is necessary to amend the Plan to incorporate the following Conditions of Approval:

- a) The applicant shall defend, indemnify and hold the State of Alaska harmless from and against any and all claims, damages, suits, losses, liabilities and expenses for injury to or death of persons and damage to or loss of property arising out of or in connection with the entry on and use of State lands authorized under this approval by the applicant, its contractors, subcontractors and their employees.
- b) The applicant shall inform and ensure compliance with any and all conditions of this approval by its employees, agents and contractors, including subcontractors at any level.
- c) Unless pre-authorized by a general permit, amendments and modifications to this approval require advance notice and must be approved in writing by the DNR.
- d) The Commissioner of the DNR may require that an authorized representative be on-site during any operations conducted under this approval. This stipulation is required to ensure that the Divisions of Oil and Gas and Mining, Land and Water meet their statutory responsibilities for monitoring activities taking place on State-owned lands.
- e) A status report for the activities conducted under this approval must be filed with this office on May 1 and November 1 each year, from the date this approval is issued and until a final completion report is filed with the Division. If a lessee requests an assignment, a status report must also be submitted during the assignment process. Failure to file in a timely manner may result in revocation of this approval.
  - a. Each status report shall include a statement describing and map(s) depicting all operations actually conducted on the licensed area as of the date the report is prepared, which includes the location, design and completion status of well sites, material sites, water supplies, solid waste sites, buildings, roads, utilities, airstrips, and all other facilities and equipment installed.
  - b. Upon completion of operations, the applicant will submit a completion report which will include all information required of a status report described in (a) above as well as a statement indicating the date of operations completion, any noncompliance with the terms of this Plan approval of which a reasonable licensee would have knowledge of, clean-up activities conducted, the method of debris disposal, and a narrative description of known incidents of surface damage.
- f) Notification. The applicant shall notify the DNR of all spills that must be reported under 18 AAC 75.300 under timelines of 18 AAC 75.300. All fires and explosions must be reported to DNR immediately. The DNR 24 hour spill report number is (907) 451-2678; the fax number is (907) 451-2751. The Department of Environmental Conservation (DEC) oil spill report number is (800) 478-9300. DNR and DEC shall be supplied with all follow-up incident reports.
- g) A certified As-Built survey of the improvement shall be provided within one year of placement of the improvement. This As-Built must be submitted in both electronic and physical format.

To protect the State's interest, the Division finds that it is necessary to amend the Plan to incorporate the following Project Specific Stipulation:

1. Gravel infrastructure, including the access road, pullouts/turnarounds and drill pad are subject to removal at Ahtna's expense unless appropriate authorizations and agreements are in place with DMLW SCRO to leave the infrastructure in place. See DMLW SCRO casefiles ADLs 232341, 232342, and 232343.

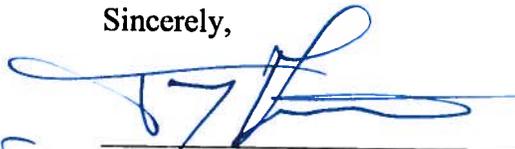
**X. FINDINGS AND DECISION**

Having considered the proposed project and based on the foregoing discussion and consideration of issues and conditions of approval, the Division makes the following findings:

1. The Plan provides sufficient information, based on reasonably available data, for the Division to determine the surface use requirements and impacts directly associated with the proposed operations.
2. The Plan includes statements, maps, or drawings setting forth the sequence and schedule of operations, projected use requirements, description of operating procedures, and a plan of rehabilitation designed to prevent or minimize adverse effects.
3. To protect the State's interest and mitigate potential adverse social and environmental effects associated with the Plan, the Division finds it necessary to amend the Plan to incorporate the mitigation measures set forth in the Tolsona Oil and Gas Exploration License Best Interest Finding.
4. All oil and gas activities conducted under oil and gas exploration licenses are subject to numerous local, state and federal laws and regulations with which Ahtna is expected to comply.
5. The people of Alaska have an interest in developing the state's oil and gas resources and maximizing the economic and physical recovery of those resources. AS 38.05.180(a).
6. Alaska's economy depends heavily on revenues related to oil and gas production and government spending resulting from those revenues. The related revenue sources include bonus payments, rentals, royalties, production taxes, income taxes, and oil and gas property taxes.
7. The potential benefits of approving this Plan outweigh the possible adverse effects, which have been minimized through imposition of mitigation measures, conditions of approval, and project specific stipulations, and thus approval of this Plan as modified is in the State's best interest.

Based upon the Plan, supporting information provided by the applicant and the Division's review, determination of applicable statutes and regulations, consultation with other agencies, relevant entities and individuals, public comment, and the above findings related to that Plan, the Division hereby approves the Plan as modified.

Sincerely,



For: Kim Kruse  
Permitting Section Manager  
Division of Oil and Gas

2-3-16  
Date

**Appeal**

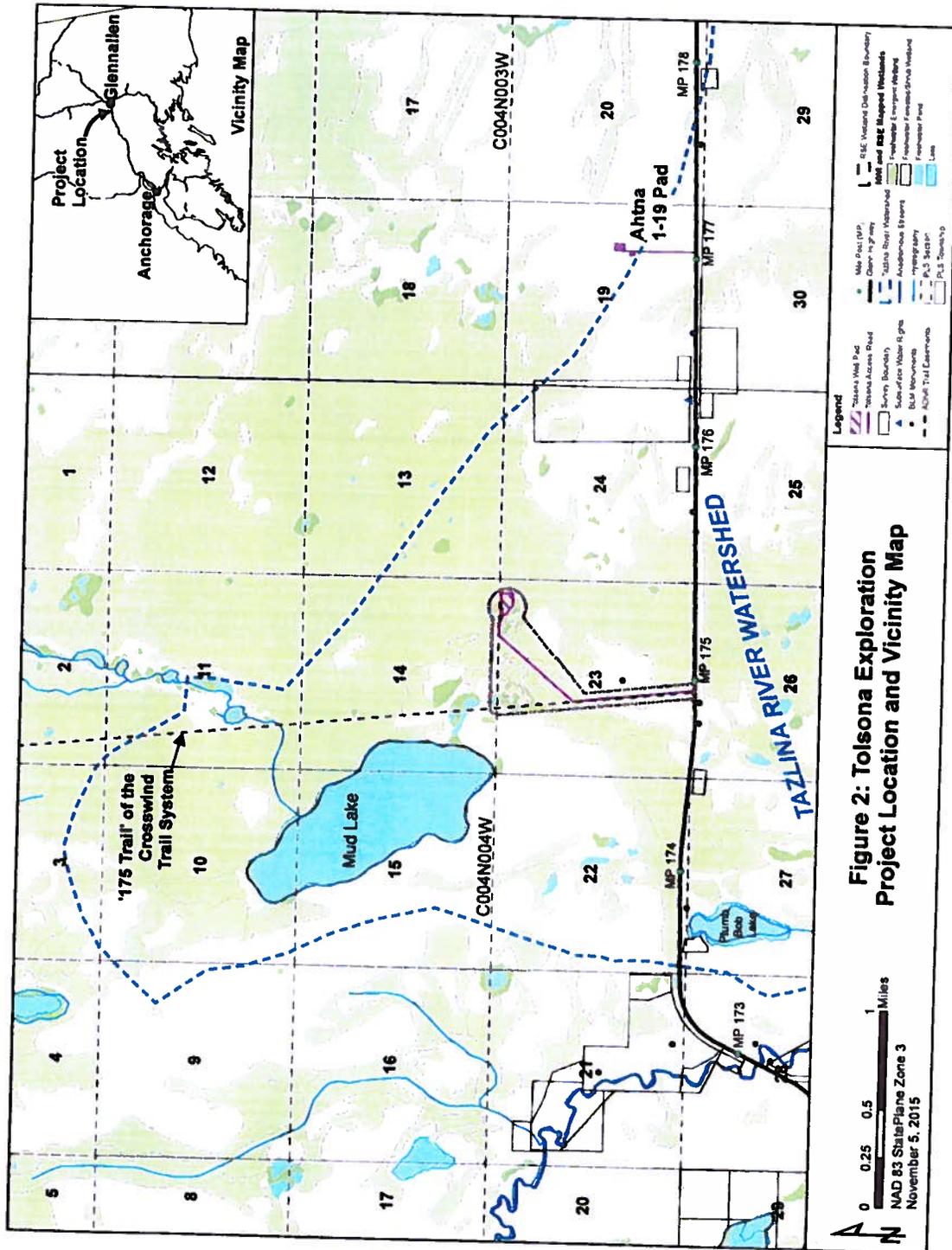
An eligible person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of issuance of this decision, as defined in 11 AAC 02.040(c) and (d), and may be mailed or delivered to the Commissioner, Department of Natural 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.

**Attachments:**

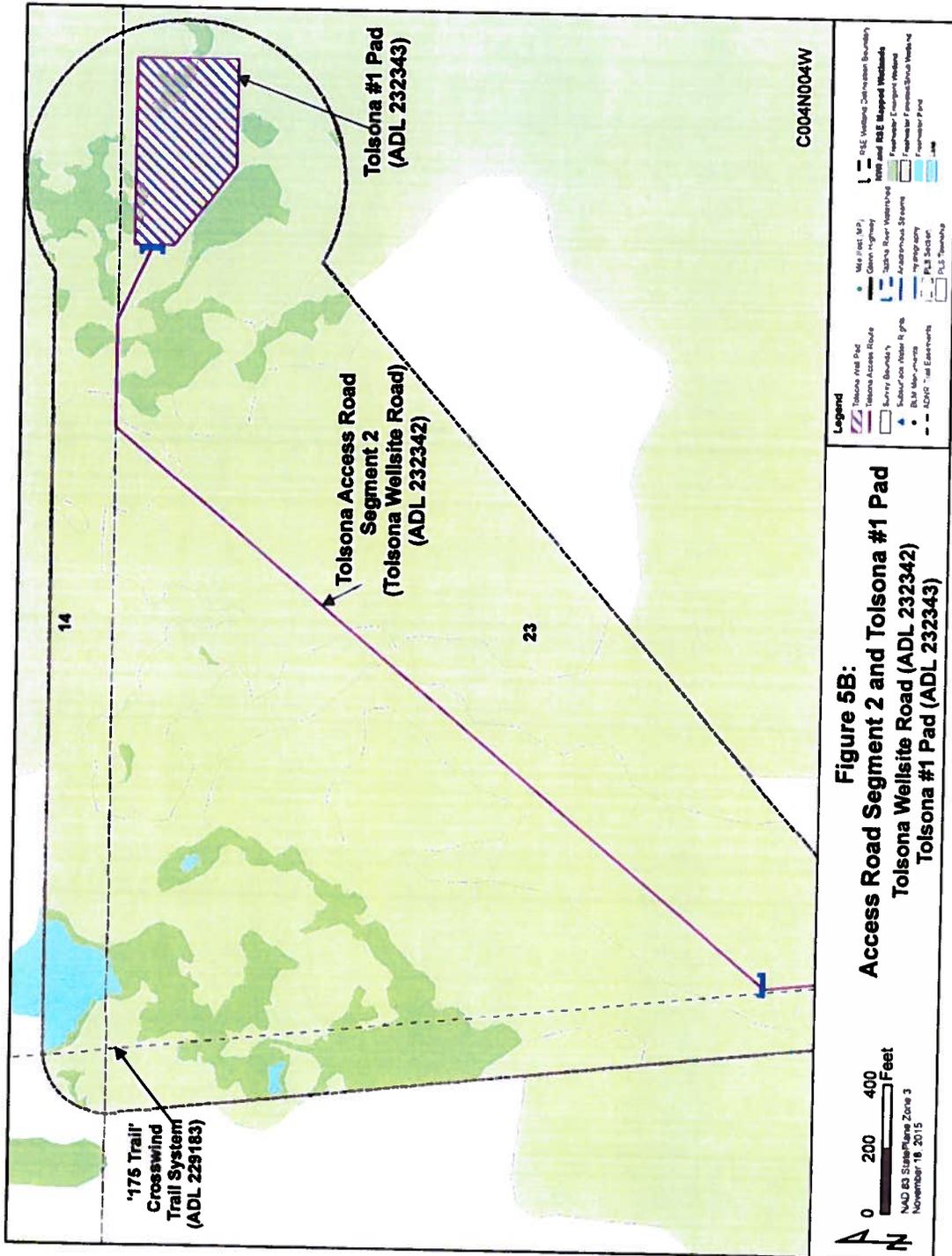
- Appendix A: Maps and Figure(s)
- Appendix B: Agency and Public Comments

ecc: DOG: Kim Kruse, Marta Mueller  
DMLW: Cliff Larson, Cynthia Zuelow-Osborne, Henry Brooks, Eric Moore, James Sowerwine  
ADF&G: Audra Brase, Marla Carter, Mark Fink, Michael Daigneault, Megan Marie  
ADEC: Jamie Grant, Gary Evans, Mike Evans, Graham Wood  
OPMP: Mark Morones, Sara Longan, Jeff Bruno  
AOGCC: James Regg  
Borough: J. Denison, M. Mueller, J. Blankenship, D. Nelson  
USFWS: Jennifer Spegon, Lynnda Kahn, Kimberly Klein  
USACE: Jack Hewitt, Katherine McCafferty, Linda Speerstra  
Other: Pam Russel, DNR Land Sales,

Appendix A: Maps and Figure(s)







## Appendix B: Agency and Public Comments

No agency comments received.

No public comments received.