

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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December 17, 2007

NOTICE OF INTENT TO EVALUATE A GAS ONLY EXPLORATION LICENSE PROPOSAL AND REQUEST FOR COMPETING PROPOSALS

Pursuant to AS 38.05.133, AS 38.05.945(b), 11 AAC 82.912 and 11 AAC 82.918, the Department of Natural Resources, Division of Oil and Gas (DO&G) provides notice of its intent to evaluate the acceptability of a gas only exploration license proposal for the Houston Exploration Area of Interest. The proposal was received on April 30, 2007 in accordance with AS 38.05.133(b) and 11 AAC 82.909(d). Because DO&G is soliciting competing proposals, the division will hold confidential the name of the applicant and the provisions of the proposal.

DO&G is requesting competing proposals within the Houston Exploration Area of Interest solicitation area. A map of the solicitation area is included with this notice and is available on the division's webpage at www.dog.dnr.state.ak.us. The area consists of state-owned land within Township 18N, Range 3W, Sections 1-18 and 20-24; T18N, R4W 1, 2, 11-13; T19N, R3W 31-36; and T19N, R4W 35-36, Seward Meridian, encompassing approx. 21,080 gross acres.

A prospective licensee must notify DO&G by 5:00 p.m. January 17, 2008 of its intent to submit a competing proposal, and must submit the proposal no later than 5:00 p.m. February 18, 2008. DO&G does not have a standard proposal form. The proposal must be sent to the Division of Oil and Gas, 550 West 7th Avenue Suite 800, Anchorage, AK 99501-3560, attention: Kathy Means, and in accordance with 11 AAC 82.909(e) must include the following information below, along with the required map:

1. Describe the lands proposed to be subject to licensing, and provide this information on a map at a scale of 1:250,000 or greater;
2. State the specific work commitment expressed in dollars of direct exploration expenditures;
3. Propose the term of the license (not to exceed ten years);
4. Describe the amount and form of bond or other security to be posted, based on the projected cost of the planned exploration work (AS 38.05.132(c)(4)(B));
5. State that the prospective licensee meets the minimum qualifications specified under 11 AAC 82.200(a) and 11 AAC 82.205; and
6. Designate one person authorized to receive notices on behalf of the prospective licensee.

Before an exploration license is granted, the commissioner will issue a written finding. If competing proposals are received, the commissioner will request competitive sealed bids. The successful license holder will have the exclusive right to explore state land within the license area for deposits of gas only for up to 10 years. Prior to exploration of the license area the license holder must apply for the appropriate permits and post the additional bonds required of operators. Completion of the work commitment will allow the licensee to convert all or a portion of the license to gas lease(s).

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

For further information call Kathy Means at (907) 269-8757. DO&G complies with Title II of the Americans with Disabilities Act 1990. This publication will be made available in alternative communication formats upon request. Please contact Tim Jones at (907)269-8814 or email timothy.jones@alaska.gov to make any necessary arrangements.

A handwritten signature in blue ink, appearing to read "Kevin Banks", written over a horizontal line.

Kevin Banks
Acting Director