

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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PUBLIC NOTICE

ADL 390079 Nenana Basin Exploration License No. 1 Proposed Extension of License Term

Pursuant to AS 38.05.035 and AS 38.05.945, the Department of Natural Resources, Division of Oil and Gas is giving notice of a proposal to extend the Nenana Basin Exploration License No. 1, ADL 390079, license term from seven (7) years to ten (10) years. As specified in AS 38.05.132(b), an exploration license can have a term of up to ten years. The license area consists of state-owned land located generally west of the Parks Highway to the north, west and south of Nenana.

The Nenana Basin Exploration License No. 1 was issued effective October 1, 2002, for 482,942 acres, a work commitment of \$2,525,000 and a primary term of seven years. The license is due to expire September 30, 2009. The current holders of the license: Doyon, Limited; Arctic Slope Regional Corporation; and Usibelli Energy, LLC; have requested that the term be extended up to the ten years as allowed by law. The original work commitment has been met; however, due to unforeseen circumstances, the licensees were not able to complete all of their planned exploration and request the extension in order to do additional exploration. The licensees will provide the division with all of the data obtained during this extended period. Prior to expiration of the license, the licensee may convert all or a portion of the license area into oil and gas leases.

A portion of the Nenana Basin Exploration License area located generally along the Teklanika River is subject to the University of Alaska's trust settlement land selection (Nenana Oil and Gas Tract). The University has concurred with this proposed action in accordance with the 2005 legislation and settlement agreement.

The public is invited to comment on the proposed extension of the license from its current seven-year term to the maximum ten years allowed by law. Comments must be received by no later than 5:00 p.m. October 15, 2008 and can be sent by mail to Kathy Means, Division of Oil and Gas, 550 W. 7th Ave., Suite 800, Anchorage, Alaska 99501-3560, by fax to (907) 269-8943, or by email to kathy.means@alaska.gov. The purpose of this notice is to determine that the license extension is in the best interest of the State of Alaska. For more information, please visit the division's web site at <http://www.dog.dnr.state.ak.us/oil/programs/licensing/licensing.htm>.

The Division of Oil and Gas reserves the right to waive technical defects in this notice.