

# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

SEAN PARNELL, GOVERNOR

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**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

May 18, 2010

Bruce D. Webb  
Manager, Land and Regulatory Affairs  
Aurora Gas, LLC  
1400 West Benson Blvd. Suite 410  
Anchorage Alaska 99503

Re: Correction to Decision Dated May 5, 2010  
Expansion of the Nicolai Creek Unit and Formation of the West Beluga and West Tyonek  
Participating Areas

Dear Mr. Webb:

On May 5, 2010 the Department of Natural Resources, Division of Oil and Gas (Division) issued a Decision approving the Expansion of the Nicolai Creek Unit and Formation of the West Beluga and West Tyonek Participating Areas (Decision). The Unit Operator, Aurora Gas, LLC (Aurora) requested two revisions to the Decision. The first revision is a correction to the first and last sentences in Section II, "Application", on page three of the Decision. The second is a request to clarify the stratigraphic limit between the West Tyonek and West Beluga Participating Areas (WTPA and WBPA). The Division agrees to both revisions as follows.

The first sentence of Section II, "Application", on page three of the Decision, "Aurora requests the expansion of the NCU to include ADL 391472 **in its entirety** as described in Exhibit A and B, (Attachments 1 & 2) and to include portions of ADL 391472 and ADL 17598 in the WPA as described in Exhibits A and B-4 (Attachments 1 & 3).", is revised to read "Aurora requests the expansion of the NCU to include ADL 391472 **in part** as described in Exhibit A and B, (Attachments 1 & 2) and to include portions of ADL 391472 and ADL 17598 in the WPA as described in Exhibits A and B-4 (Attachments 1 & 3)."

The last sentence of Section II, "Application", on page three of the Decision, "ADL 17598 is already committed **in its entirety** to the NCU and committed in part to the Nicolai Creek Unit South PA and Beluga PA.", is revised to read "ADL 17598 is already committed **in part** to the NCU and committed in part to the Nicolai Creek Unit South PA and Beluga PA."

Paragraphs 5 and 6 of Section IV "Findings" define the stratigraphic limits based upon existing perforations in the Nicolai Creek 11 well for the WBPA and WTPA.

5. The WBPA overlies the Nicolai Creek Beluga Undefined Pool, comprised of sands within the Beluga Formation, from 920 Measured Depth (MD) to 2,099 MD. The stratigraphic limits of the WBPA are from 920 MD to 2,099 MD in the Nicolai Creek 11 well.
6. The WTPA overlies the Nicolai Creek South Undefined Pool, comprised of sands within the Tyonek Formation, from 2,260 MD to 2,362 MD. The stratigraphic limits of the WTPA are from 2,260 MD to 2,362 MD in the Nicolai Creek 11 well.

Aurora requested clarification of the stratigraphic limits of the two PAs and proposed that the base of the WBPA and top of the WTPA be placed at 2,100 MD in the Nicolai Creek 11 well. The Division has reviewed the log data and proposed a depth of 2,170 MD, to which Aurora agrees. Paragraphs 5 and 6 of Section IV are revised as follows:

5. The WBPA overlies the Nicolai Creek Beluga Undefined Pool, comprised of sands within the Beluga Formation. The stratigraphic limits of the WBPA are from 920 MD to 2,170 MD in the Nicolai Creek 11 well.
6. The WTPA overlies the Nicolai Creek South Undefined Pool, comprised of sands within the Tyonek Formation. The stratigraphic limits of the WTPA are from 2,170 MD to 2,362 MD in the Nicolai Creek 11 well.

Sincerely,



Kevin R. Banks  
Director

Cc: Jeff Landry, DOL  
Mike Franger, TLO