

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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December 27, 2007

**PUBLIC NOTICE OF THE ISSUANCE OF THE
PRELIMINARY FINDING UNDER AS 38.05.035 (e)
MT. SPURR PROPOSED GEOTHERMAL EXPLORATION AREA AS 38.05.181**

The Department of Natural Resources (DNR), Division of Oil & Gas (DO&G), gives notice under AS 38.05.945 that it has issued the preliminary best interest finding under AS 38.05.035 (e) for a proposed Mt. Spurr Geothermal Exploration Area in accordance with AS 38.05.181.

Before this offering can take place, the commissioner of DNR is required to make a final written finding that the offering is in the best interests of the state. To facilitate this, DO&G has collected public and agency comments, socio-economic and environmental information in order to consider the potential effects of this proposed offering. This information was then used to prepare this preliminary written finding. This preliminary finding establishes the scope of the administrative review for the proposed offering; considers and discusses certain important facts and issues determined to be material; and sets out the law, regulations and applicable policies upon which the commissioner bases his final determination. The finding also includes proposed mitigation measures considered necessary to minimize possible adverse impacts of the proposed offering.

PUBLIC COMMENT

DO&G invites the public to comment on the preliminary best interest finding of the proposed geothermal exploration area. Comments should be mailed to the Division of Oil and Gas; 550 West 7th Ave, Suite 800; Anchorage, AK 99501-3560. Attention: Greg Curney; Fax 907-269-8943; e-mail greg.curney@alaska.gov. **Comments must be received on or before January 28, 2008** to be considered in the final best interest finding.

OFFERING AREA DESCRIPTION

The State of Alaska is proposing to offer geothermal exploration on approximately 16 tracts of state-owned land up to 2,560 acres, totaling approx. 36,057 acres. The proposed geothermal exploration area is located northwest of Trading Bay along the southern flank of Mt. Spurr, including the east end of Chakachamna Lake and part of the Chakachatna River. The area is entirely within the Kenai Peninsula Borough, approx. 40 miles west of the village of Tyonek, within Ts. 13 & 14 N., Rs. 16 & 17 W., Seward Meridian. Only lands for which the state owns the subsurface estate will be offered for exploration.

FINAL BEST INTEREST FINDING

The division anticipates a final decision by the commissioner around March 2008. To be eligible to file an administrative appeal or a request for reconsideration, a person must submit written comments during the comment period and be affected by the final decision. A copy of the final decision will be sent to any person who comments on the preliminary decision, and will include an explanation of the appeal process. An eligible person must first either appeal or request reconsideration of a decision before appealing a decision to superior court.

Copies of the Preliminary Best Interest Finding are available for review at public libraries in Palmer, Wasilla, Kenai, Ninilchik, Homer, Soldotna, Anchor Point and Seldovia; the Loussac Public Library in Anchorage; the Matanuska-Susitna Planning Dept. offices in Palmer; the Kenai Peninsula Borough Planning Dept. offices in Soldotna; and the Anchorage Municipal Clerk's office. The Preliminary Best Interest Finding is also available in electronic format at <http://www.dog.dnr.state.ak.us/oil/>

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

The State of Alaska, DNR, 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 Timothy Jones at (907) 269-8814 to make any necessary arrangements.

Signed by:

Kevin R. Banks
Acting Director