



## Carbon Storage Exploration License Application Instructions

State of Alaska  
Department of Natural Resources  
Division of Oil & Gas, Leasing Section  
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### General Information and Instructions

The Department of Natural Resources (DNR), Division of Oil and Gas (Division), is responsible for issuing carbon storage exploration licenses applicable to the provisions of AS 38.05.700 – AS 38.05.795. Regulations governing the carbon storage exploration license and leasing program can be found in 11 AAC 84.1000 – 11 AAC 84.1099. The following information is required to be filled out by applicants for your application to be considered complete.

- ✓ Carbon storage exploration licenses:
  - Grant the exclusive right to explore, for carbon storage purposes, on state land.
  - Have a five-year term.
  - Require posting of a bond or other security acceptable to the department.
  - Require an annual fee paid to the department.
  - Require fulfillment of a specified work commitment, including an annual report describing the exploration activities in the previous calendar year.
  - May be converted to a carbon storage lease after compliance with the provisions described in 11 AAC 84.1035.
- ✓ An application for a carbon storage exploration license may be submitted:
  - At any time by an applicant pursuant to 11 AAC 84.1005(a)(1).
  - In response to a call for competing proposals under 11 AAC 84.1005(a)(2).
  - In response to a call for proposals by the Commissioner pursuant to 11 AAC 84.1005(a)(3).
- ✓ Before applying for a carbon storage exploration license, it is recommended that you call the Division of Oil and Gas, Leasing Section, and schedule a pre-application meeting. At the pre-application meeting, be prepared to discuss:
  - Technical background and experience to carry out the exploration of the property.
  - Property description of project area.
  - Geological formations of the project area.
  - Tentative plans for exploration.
- ✓ A \$500 filing fee is required for an application for a carbon storage exploration license. Fees may be paid by including a check or money order made payable to the Department of Natural Resources, paid via a wire transfer, or by credit card through the Public Information Center. Please contact the Leasing Section for wire transfer instructions.
- ✓ Use this application checklist to apply for a carbon storage exploration license under AS 38.05.700.
- ✓ Call the Division of Oil and Gas Leasing Section if you have questions.
- ✓ You may mail the application to the above mailing address or email it to the above email address.

## Carbon Storage Exploration License Application Packet and Checklist

### **Complete Carbon Storage Exploration License Application Packages include the following information and documents:**

The Division reserves the right to request any additional information under 11 AAC 88.115 to complete the review of the application.

The Division may propose modifications to a proposal that, if accepted by the applicant, would qualify the proposal for approval. A proposed modification may include a deadline to submit a revised proposal conforming to 11 AAC 84.1005(c).

### **If confidential data is included in the application, the applicant shall file a separate application narrative containing non-confidential information suitable for public release. Clearly mark each page that is being requested to remain confidential under AS 38.05.035(a)(8) and 11 AAC 84.1095.**

- Describe the location of the proposed carbon storage exploration license, required under 11 AAC 84.1005(c)(1). Property description should include:
  - Land description using the meridian, township(s), range(s), section(s), and legal subdivision(s).
  - A map depicting the same lands at a scale of 1:250,000 or greater that includes a North arrow, scale bar, title, and a legend.
  - Spatial data for the exploration license boundary.
- Describe the geological formation(s) that the carbon storage exploration license will target, required under 11 AAC 84.1005(c)(2). Where possible, include:
  - Location map(s) identifying all well and seismic data used in the evaluation.
  - Target reservoir(s) facies map(s), depth structure map(s) including key faults and other possible sealing boundaries, thickness (isochore) map(s), and pressure map(s).
  - Containment and seal information to include map(s) showing stratigraphic seal depth and thickness, and other stratigraphic and geomechanical properties identifying information on seal resilience and integrity.
  - Identification of any leak hazards and risks; and
  - Any other relevant information sufficient for the Division to determine if the geological formation(s) are adequately described.
- List all active oil and gas leases issued under AS 38.05.135 – AS 38.05.181 within one-half mile of the proposed carbon storage exploration license area, required under 11 AAC 84.1005(c)(3). The list of active oil and gas leases should include:
  - Lease number (ADL).
  - Notification lessee.

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- Notification lessee's mailing address.
- Describe the proposed annual fee and proposed commercial terms that will accompany any converted carbon storage lease under 11 AAC 84.1035. Proposed fee and terms must meet the minimums required under AS 38.05.705(c)(2) and (3). The commercial terms narrative should include:
  - Justification for the proposed annual fee and commercial terms as it relates to the proposed project area and proposed plan of exploration.
  - Information sufficient for the Division to determine if the proposed terms and conditions are in the state's best interest.
- Describe the proposed work commitment, required under 11 AAC 84.1005(c)(6). The work commitment narrative should include:
  - A proposed work plan for the exploration phase of the project that:
    - Delineates and characterizes the geologic formations for selection of carbon dioxide injection sites based on geologic suitability.
    - Includes the proposed sequence and schedule of operations to be conducted on or in the proposed license area.
  - A proposed work plan for subsurface data gathering can include, but not limited to:
    - Drilling of wells, seismic acquisition or improvements of existing seismic information, injectivity testing.
    - Descriptions of key well and seismic activities, their timing, and technical objectives.
  - Any other relevant information sufficient for the Division to determine if the proposed work commitment is adequate and appropriate.
- Description of how the Applicant is qualified under 11 AAC 84.1000 to undertake the project, focusing on the key strengths and competitive advantages. The company profile narrative should include:
  - Ownership structure, including any wholly-owned subsidiaries, affiliated companies, or joint ventures.
  - Proposed operating structure for the project and which entities will be performing the project tasks.
  - Specific information on the internal and external sources of capital needed for the project.
  - The maturity of discussions with potential investors.
  - Any other relevant financial information sufficient for the Division to determine if the Applicant is financially solvent and adequately capitalized.

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- Description of how the Applicant's technical background and experience is qualified under 11 AAC 84.1000 to undertake the project. The technical background narrative should:
  - Identify and describe completed projects performed that show applicant's:
    - ability to undertake and complete large-scale projects involving infrastructure construction or industrial-scale facility operations involving carbon storage, gas storage, hydrocarbon developments, or other similarly complex projects; and
    - experience obtaining federal or state permits involving carbon storage, oil and gas, mining, environmental compliance, or industrial complex projects; and
  - List any previous authorizations and leases issued under AS 35 and AS 38 to the applicant, including through affiliates or partner companies that document applicant's history of compliance under 11 AAC 84.1000(b). List of authorizations and leases should include:
    - Authorization or lease number (ADL, LAS, LO, MLUP).
    - Authorization or lease type.
  - Include any other relevant information and details sufficient for the Division to determine if Applicant is technically capable to undertake the project.
- Designation of an individual who is authorized to receive notices on behalf of the applicant.