



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

DIVISION OF OIL & GAS

550 W 7th Avenue, Suite 1100  
Anchorage, Alaska 99501-3560  
Main: 907.269.8800  
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March 27, 2019

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Travis Renk  
Senior Pipelines Manager  
Cook Inlet Natural Gas Storage Alaska, LLC  
3000 Spenard Road  
Anchorage, Alaska 99519-0989

Subject: 2019 Lease Plan of Development for Gas Storage Project (ADL 391627)

Dear Mr. Renk:

Cook Inlet Natural Gas Storage, LLC (CINGSA) submitted a proposed 2019 Plan of Development (POD) for gas storage lease ADL 391627 on February 26, 2019, and a revised version on March 25, 2019. This decision approves the 2019 POD.

Paragraph 11 of the lease requires annual updates to the POD, which must describe the Gas Storage Formation, long-range activities, proposed operations for the coming year, and a sequence and schedule of operations. CINGSA provided this information in its 2019 POD.

During the 2018 POD period, CINGSA injected 6.1 BCF (billion cubic feet) of natural gas and withdrew 4.3 BCF. CINGSA conducted semi-annual shut-ins in April and October for maintenance. A sand cleanout was performed with coil tubing and 100 feet of additional perforations were added to well CLU-S3. Sand monitors were added to wells CLU-S1 and CLU-S2 to help with diagnosis of sand production. For the 2019 POD period, CINGSA anticipates maintaining the storage facility and conducting small projects, mostly related to maintenance. CINGSA is also continuing to evaluate its options regarding a potential sale of found native gas.

The Alaska Department of Natural Resources, Division of Oil and Gas approves the 2019 POD for gas storage for the period April 3, 2019 through April 2, 2020. This approval is for a general plan of development. Specific field operations will require separate approval. Under Paragraph 11 of the lease, the 2019 POD is due on February 1, 2019, 60 days before the expiration of the 2019 POD.

Alaska Statute 38.05.180(u) dictates ADL 391627 is exempt from annual rental for the first year of commercial operation and the following nine years of commercial operation. CINGSA began commercial operation during 2012, therefore the lease is exempt from annual rental until 2022.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to, Commissioner, Department of

Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). This decision takes effect immediately. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Sincerely,

A handwritten signature in black ink that reads "James B. Beckham". The signature is written in a cursive style with a large, looping initial "J".

James B. Beckham  
Acting Director