

Alaska DNR Overview

Commonwealth North

June 21, 2019



Peter Caltagirone, Special Assistant to the Commissioner
Alaska Department of Natural Resources
Commissioner's Office



HELLO!

- Licensed to practice law in five states (PA, NJ, MA, CA, AK)
- Practicing law for ten years
- Began career in lower 48 in private practice
- Moved to Alaska in 2016
- 2.5 years at Department of Law – Assistant Attorney General
- 5 months as Regulatory & Legal Affairs Managers at AOGA
- Special Assistant for DNR Commissioner



MEET THE COMMISSIONER'S OFFICE



**Commissioner
Corri Feige**



**Deputy Commissioner
Sara Longan**



**Deputy Commissioner
Brent Goodrum**



**Special Assistant
Peter Caltagirone**



**Communications Director
Dan Saddler**



**Communications & Project Assistant
Laura Ogan**

MEET THE COMMISSIONER'S OFFICE

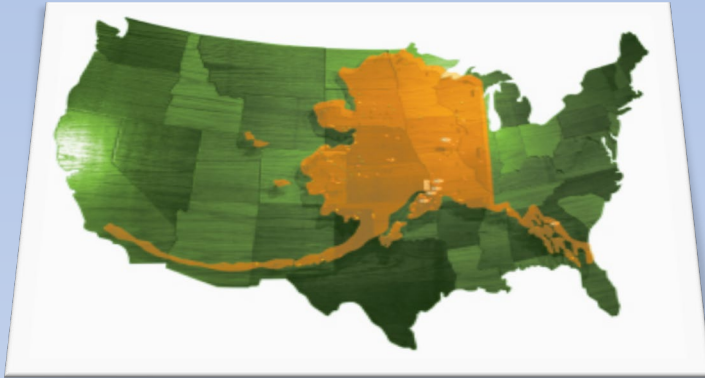


**Executive Assistant
MaryKay Ryckman**

**Administrative Assistant
Ashely Spielman**

DEPARTMENT OF NATURAL RESOURCES

- LAND BASE & OWNERSHIP -

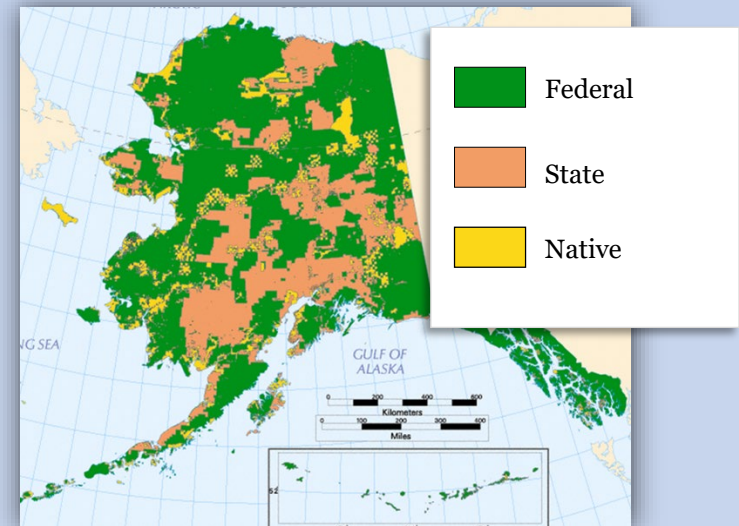


Land Base

- 586,412 sq. miles—more than twice the size of Texas
- Larger than all but 18 sovereign nations
- More coastline than all other 49 states combined
- More than 3 million lakes; half of world's glaciers
- Approximately 40% of the nation's freshwater supply

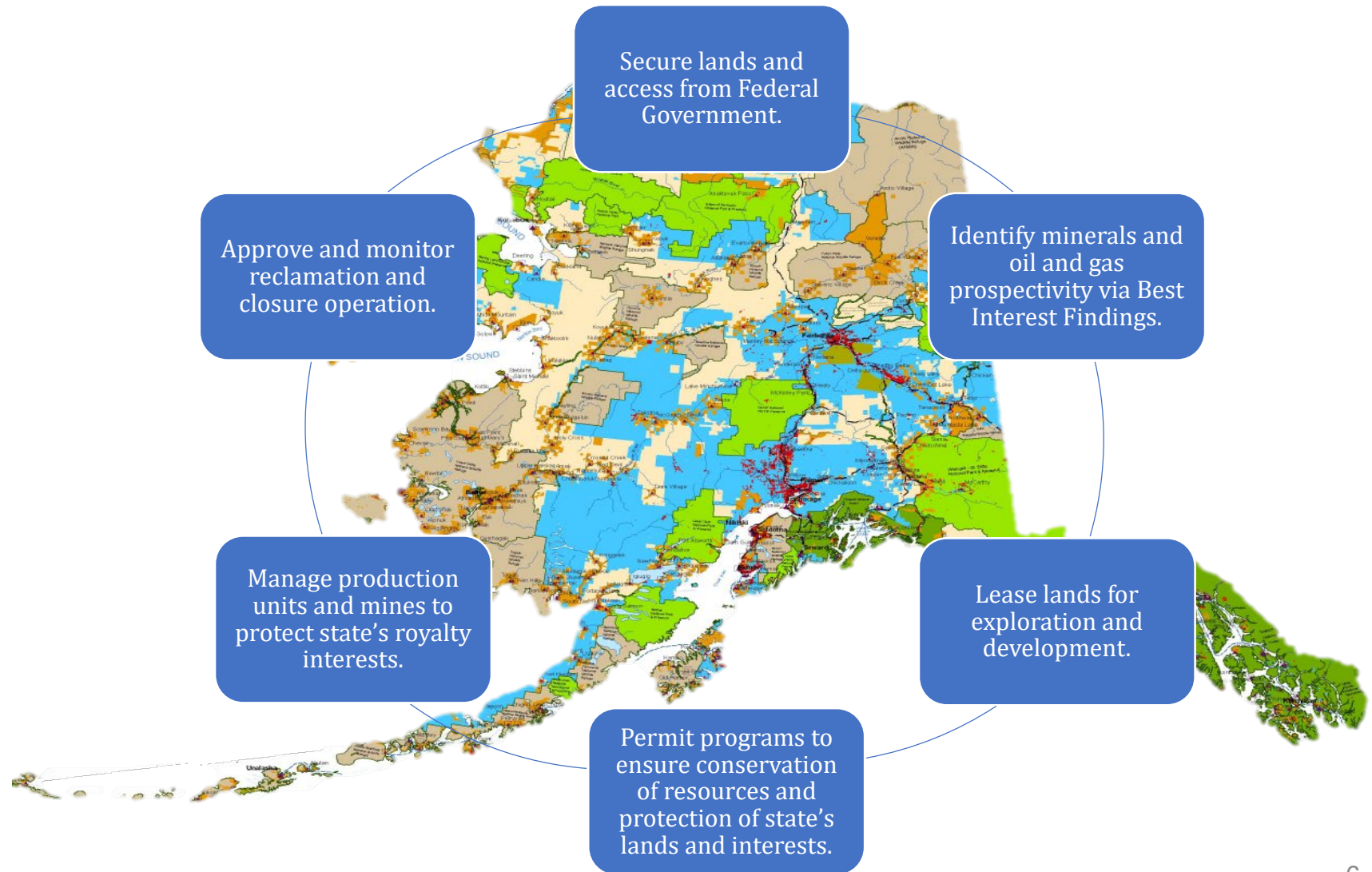
Land Ownership

- *Federal Land*: more than 200 million acres
- *State Land*: Approx. 100 million acres of uplands, 60 million acres of tidelands, shore lands, and submerged lands, and 40,000 miles of coastline
- *Native Corporation Land*: 44 million acres



DEPARTMENT OF NATURAL RESOURCES

LAND LIFE CYCLE



OFFICE OF PROJECT MANAGEMENT & PERMITTING

Mission: Coordinates multi-agency regulatory reviews and authorizations, while collaboratively engaging federal agencies on land use planning and policy initiatives to maintain and enhance the state's economy, quality of life, and maximize the value of Alaska's vast natural resources.

Executive Director: Faith Martineau

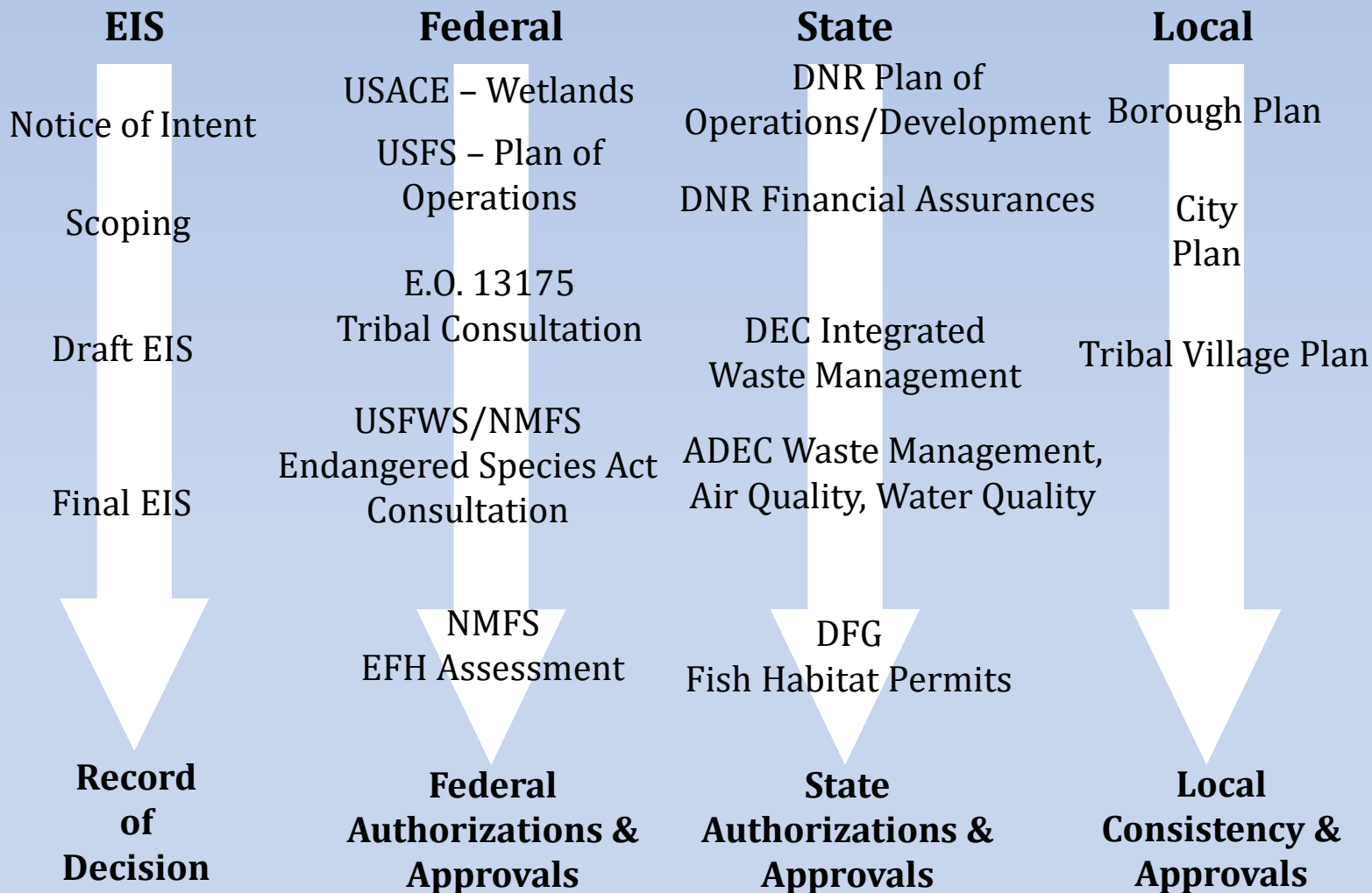
The **Office of Project Management & Permitting (OPMP)** supports private industry, regulators, and the general public by implementing one-stop shop, multi-agency permit coordination to secure consistent, defensible, transparent, and timely permit decisions.

This model is unique to Alaska and offers a level of assurance to companies investing in Alaska that permit reviews are robust and transparent.



FEDERAL PROCESSES CAN DRIVE -TIMELINES / NEPA -

MULTIPLE PERMITTING/APPROVAL PROCESSES RUN IN PARALLEL



DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS

Mission: Determine the potential of Alaska land for production of metals, minerals, fuels, and geothermal resources; the locations and supplies of groundwater and construction material; and the potential geologic hazards to buildings, roads, bridges, and other installations.

Director: Steven Masterman



The **Division of Geological & Geophysical Surveys (DGGs)** collects, analyzes, and publishes data, maps and reports that stimulate oil, gas and mineral development, and identify geologic hazards.

The division's **Geologic Materials Center (GMC)** makes Alaska's invaluable collection of cores, samples, and data available to developers and the public.



GEOLOGICAL MATERIALS CENTER

The **Geological Materials Center (GMC)** is the central repository in which geologic materials collected from Alaska are cataloged, stored, and studied.

It's permanently maintained and managed by the State of Alaska with support from cooperating government agencies that include the USBLM, USGS, USBOEM, AOGCC and private industry.



- Approx. 3000 samples and core worth \$35 Billion, all open to the public.
- Critical for exploration.
- Modern and sophisticated analysis of archived samples.
- Provides baseline geological data and access to samples.

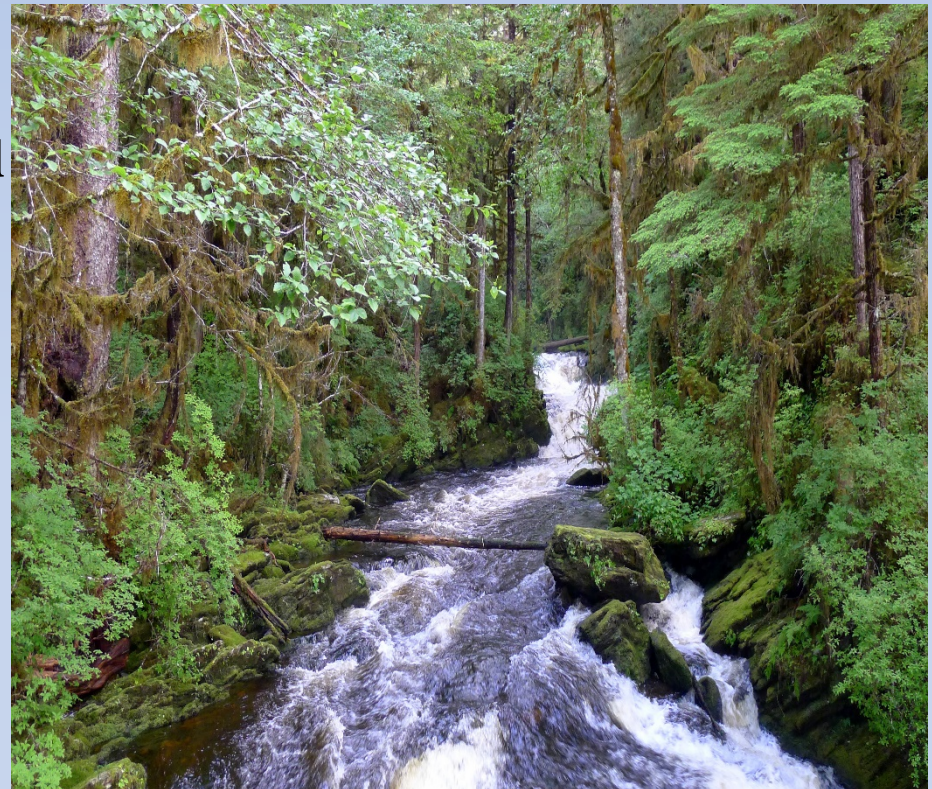
MENTAL HEALTH TRUST LAND OFFICE

Mission: Protect and enhance the value of Alaska Mental Health Trust Lands, including minerals, coal, oil and gas, timber, and real estate, while maximizing revenues from those lands over time to support mental health services.

Executive Director: Wyn Menefee

The **Trust Land Office (TLO)** is responsible for managing the land and other natural resources owned by the Alaska Mental Health Trust Authority.

The TLO generates revenue for trust beneficiaries from land sales and leasing, real estate investment and development, timber sales, mineral, coal, oil and gas exploration and development, and sand gravel and rock sales.



DIVISION OF MINING, LAND & WATER

Mission: Provides for the appropriate use and management of Alaska's state owned land and water, aiming towards maximum use consistent with the public interest.

Director: Marty Parsons

The **Division of Mining, Land & Water (DMLW)** manages more than 160 million acres – a land base comparable in size to California and most of Oregon combined.

The division's responsibilities range from land acquisition and land-use planning to land sales, permitting, and stewardship.



DIVISION OF FORESTRY

Mission: Serves Alaskans through sustainable forest management and wildland fire protection.

Director: Chris Maisch



The **Division of Forestry (DOF)** is the lead state agency for wildland fire management on 150 million acres with a primary goal to protect life & property.

DOF manages **47 million acres** of forest for commercial timber sales and public use.

In 2018, the division ...

- Responded to 203 fires in state protection areas that burned 46,036 acres
- Sold 7.9 million board feet of logs in 22 timber sales to 15 Alaska-based companies

DIVISION OF PARKS & OUTDOOR RECREATION

Mission: Provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historic resources for the use, enjoyment, and welfare of the people.

Director: Ricky Gease

The **Division of Parks and Outdoor Recreation (DPOR)** fosters economic development by operating and providing public safety in the largest state park system in the United States (3.3 million acres), including more than 159 park units and 900 miles of hiking trails.

The division administers federal recreational trail grants and oversees the statewide programs for boating safety and historic preservation.



SPRUCE BEETLES

- Two campgrounds in **Denali State Park** are closed due to Spruce Bark Beetle Infestation:
 - Byers Lake & Trail
 - Nancy Lake
 - Cascade Trail
 - parks are still open for day use
- Forestry received approval for Federal Funds to cut down and remove affected trees to reduce hazards to more than 100 campsites and the two affected campgrounds.
- Approx. 1 million acres in Alaska are affected by Spruce Beetles



DIVISION OF AGRICULTURE

Mission: Promote and encourage development of an agriculture industry in Alaska.

Director: David W. Schade

The **Division of Agriculture (DoAg)** provides land sales, loans, inspections, the Alaska Grown program and other essential programs to the agricultural industry.

The division's **Plant Materials Center (PMC)** provides the sole source of plant material developed for Alaska's unique environment protecting Alaska's natural resources from invasive species.



DIVISION OF OIL & GAS

Mission: Manages lands for oil, gas & geothermal exploration and development in a fair and transparent manner to maximize prudent use of resources for the greatest benefit of all Alaskans; facilitates safe and environmentally conscious operation & maintenance of common carrier pipelines.

Director: Jim Beckham (Acting)

The **Division of Oil and Gas (DOG)** conducts lease sales, collects royalties, authorizes oil and gas activities, and regulates common-carrier pipelines on state land.

DOG provides commercial analysis, economic modeling, financial risk assessments, audits, and other professional services to ensure the State receives maximum value for its oil and gas resources.



OPEN FOR BUSINESS

“... The road to energy dominance goes through the great state of Alaska ...”

-Ryan Zinke, Former US Secretary of Interior

- Alaska is a **premier petroleum province**
- Safe investment climate
- Stable business environment
- Established and predictable permitting system
- Decades of experience with oil, gas, and natural resource producers
- Established oil-field service companies
- Well-trained Arctic-experienced workforce



OIL & GAS RESOURCES POTENTIAL

North Slope

USGS estimates that Alaska's North Slope has more oil than any other Arctic basin

- **OIL:** Est. 40 billion barrels of conventional oil
- **GAS:** Est. 194 trillion cubic feet of conventional natural gas

Alaska has world-class unconventional resources, including tens of billions of barrels of heavy oil, shale oil, and viscous oil, and hundreds of trillions of cubic feet of shale gas, tight gas, and gas hydrates

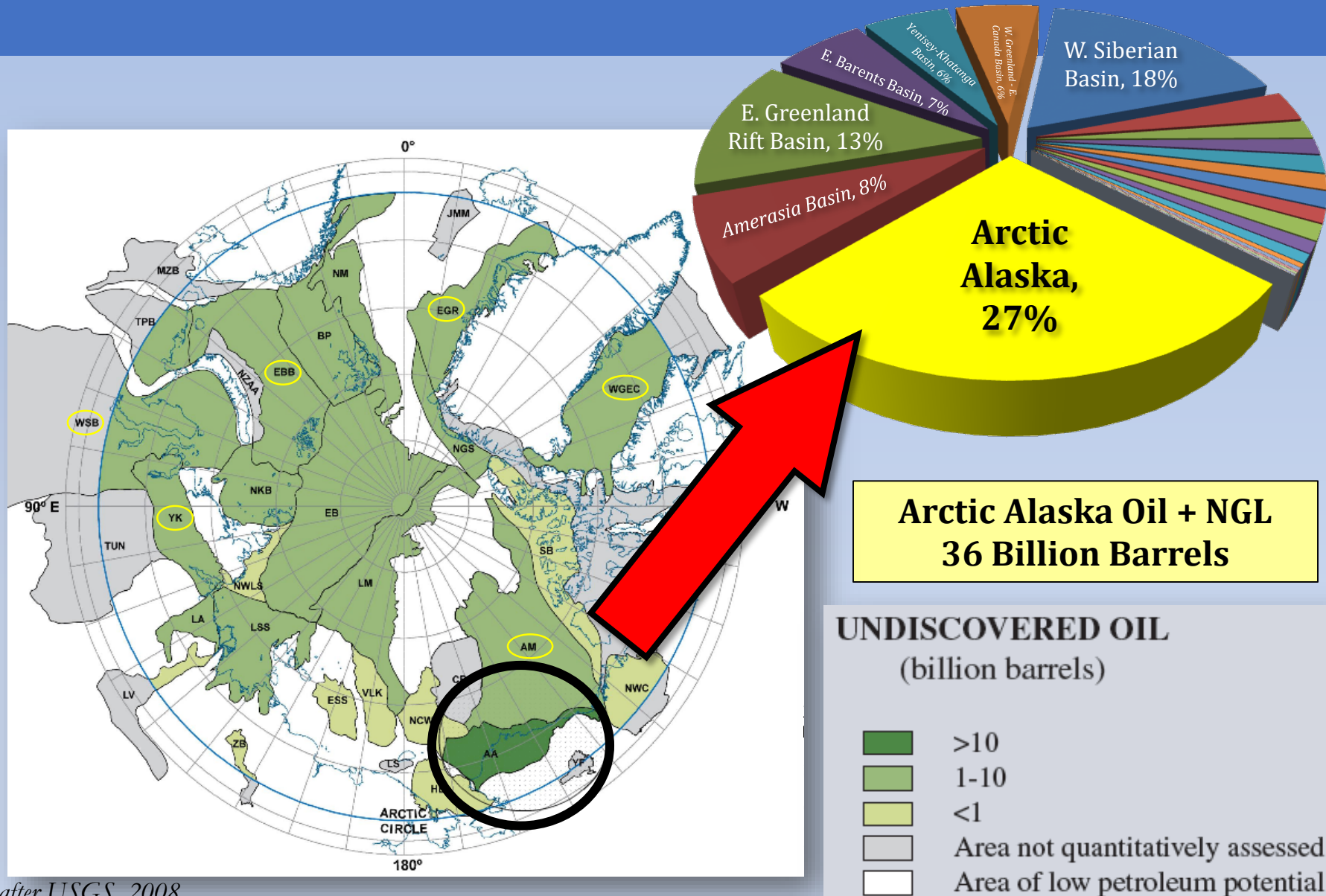
Cook Inlet

USGS estimates that significant undiscovered volumes of hydrocarbons remain to be found in the Cook Inlet:

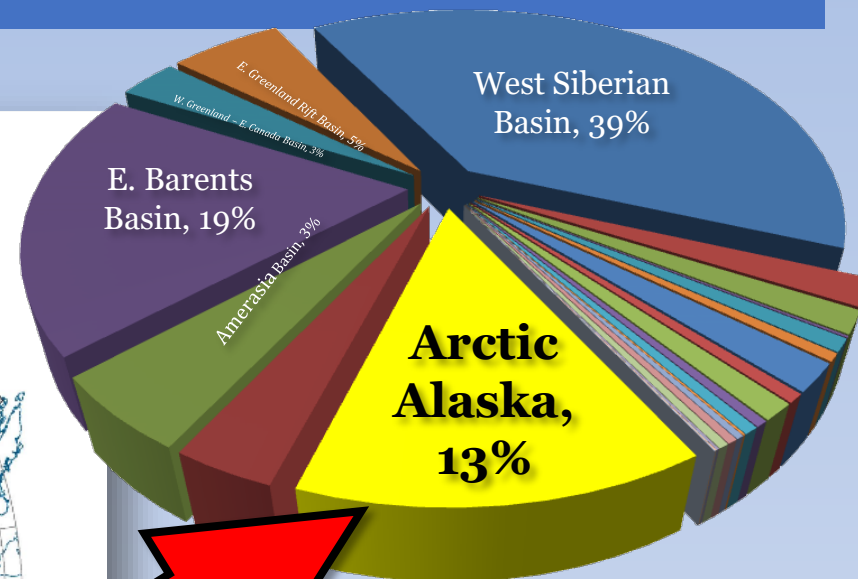
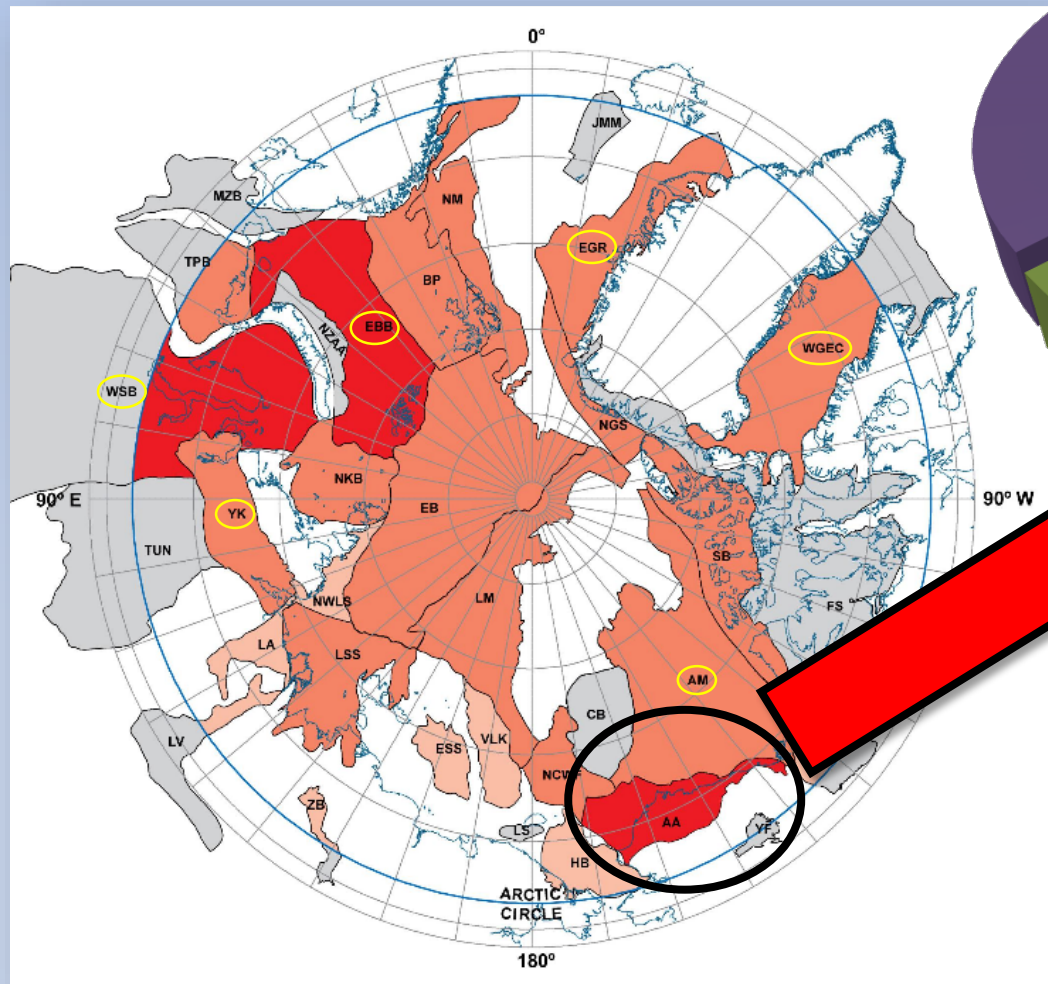
- 19 trillion cubic feet of natural gas
- 600 million barrels of oil
- 46 million barrels of natural gas liquids

Alaska is one of the few places to explore both conventional and unconventional resources in the same basin

GLOBAL ARCTIC OIL ESTIMATES

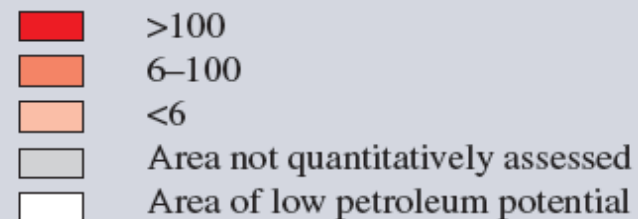


GLOBAL ARCTIC GAS ESTIMATES

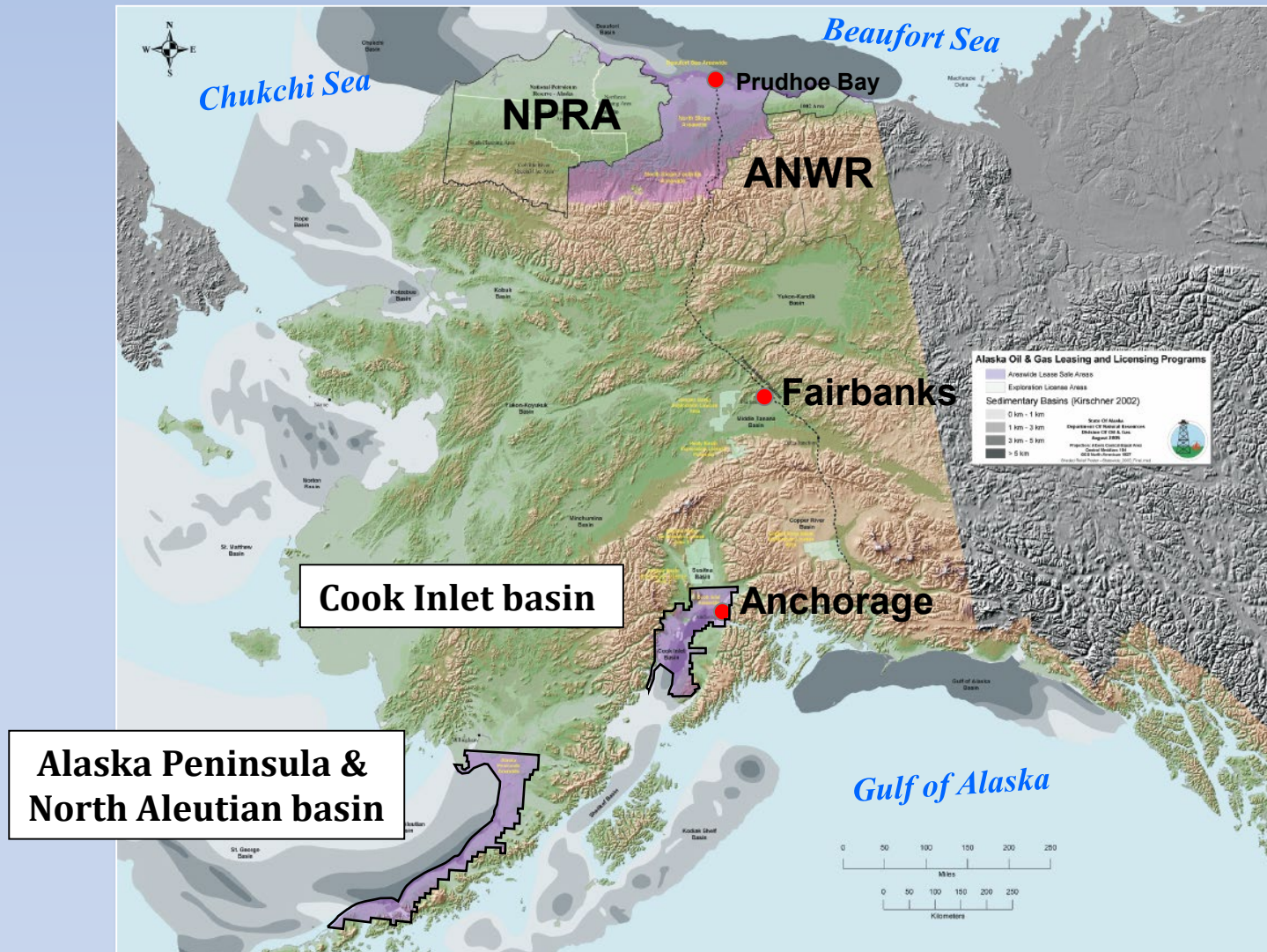


**Arctic Alaska Gas
220 TCF Conventional**

UNDISCOVERED GAS
(trillion cubic feet)

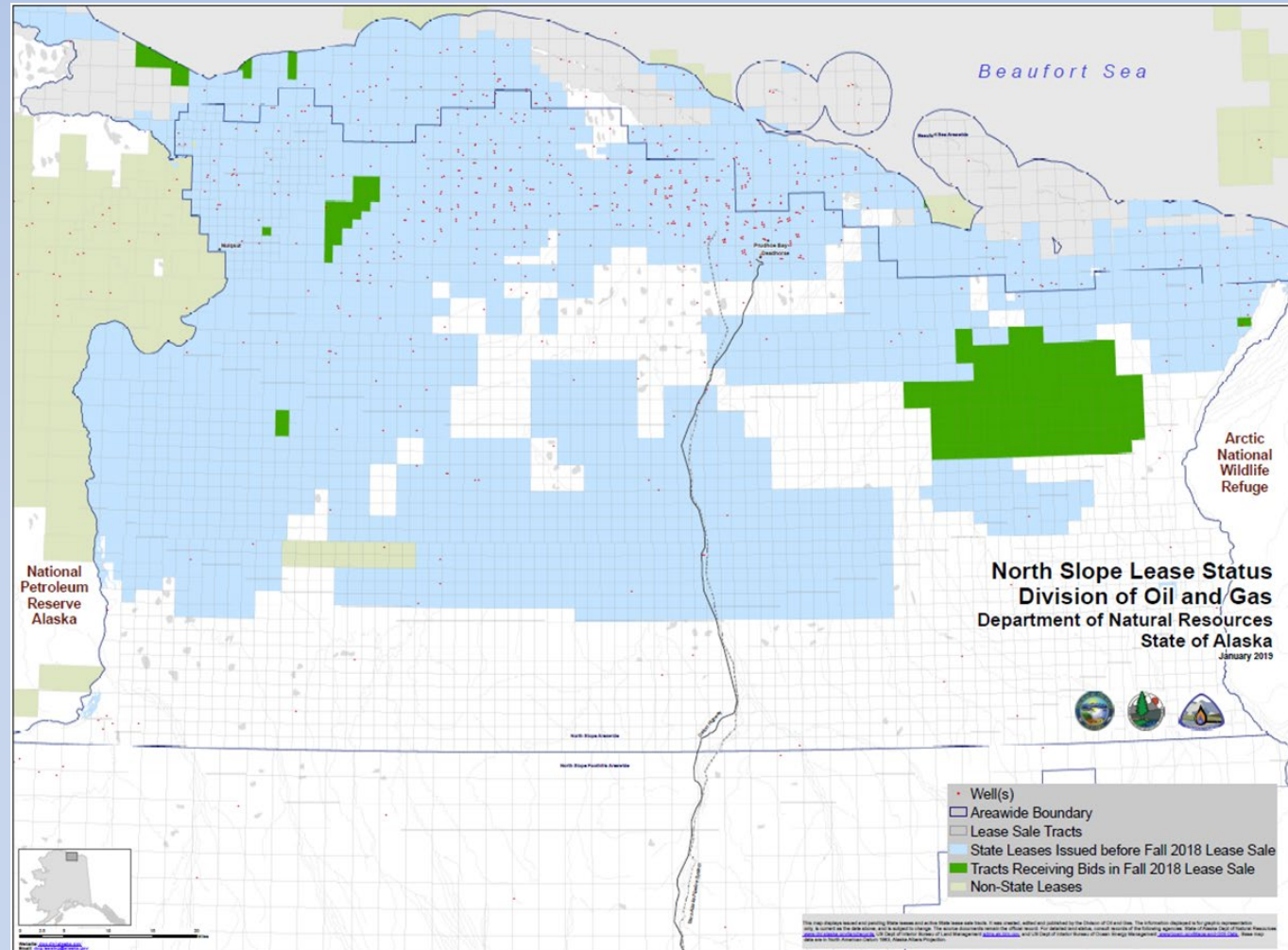


SOUTHERN ALASKA OIL AND GAS - ANNUAL AREA-WIDE LEASE SALES -

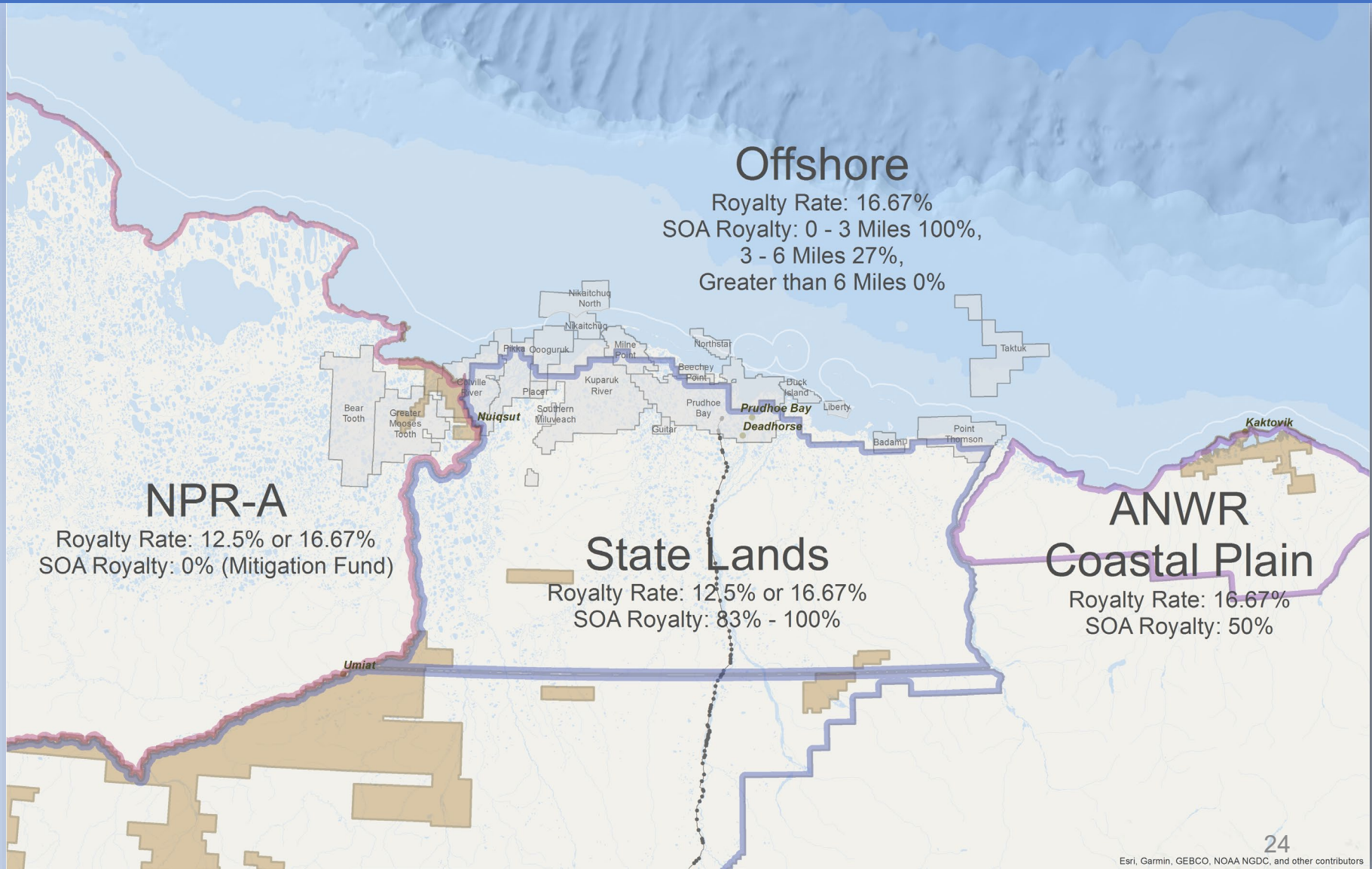


2018 Fall Lease Sale brought the 3rd highest amount of winning bids since 1998

Total Leased
Acres: **243,950**



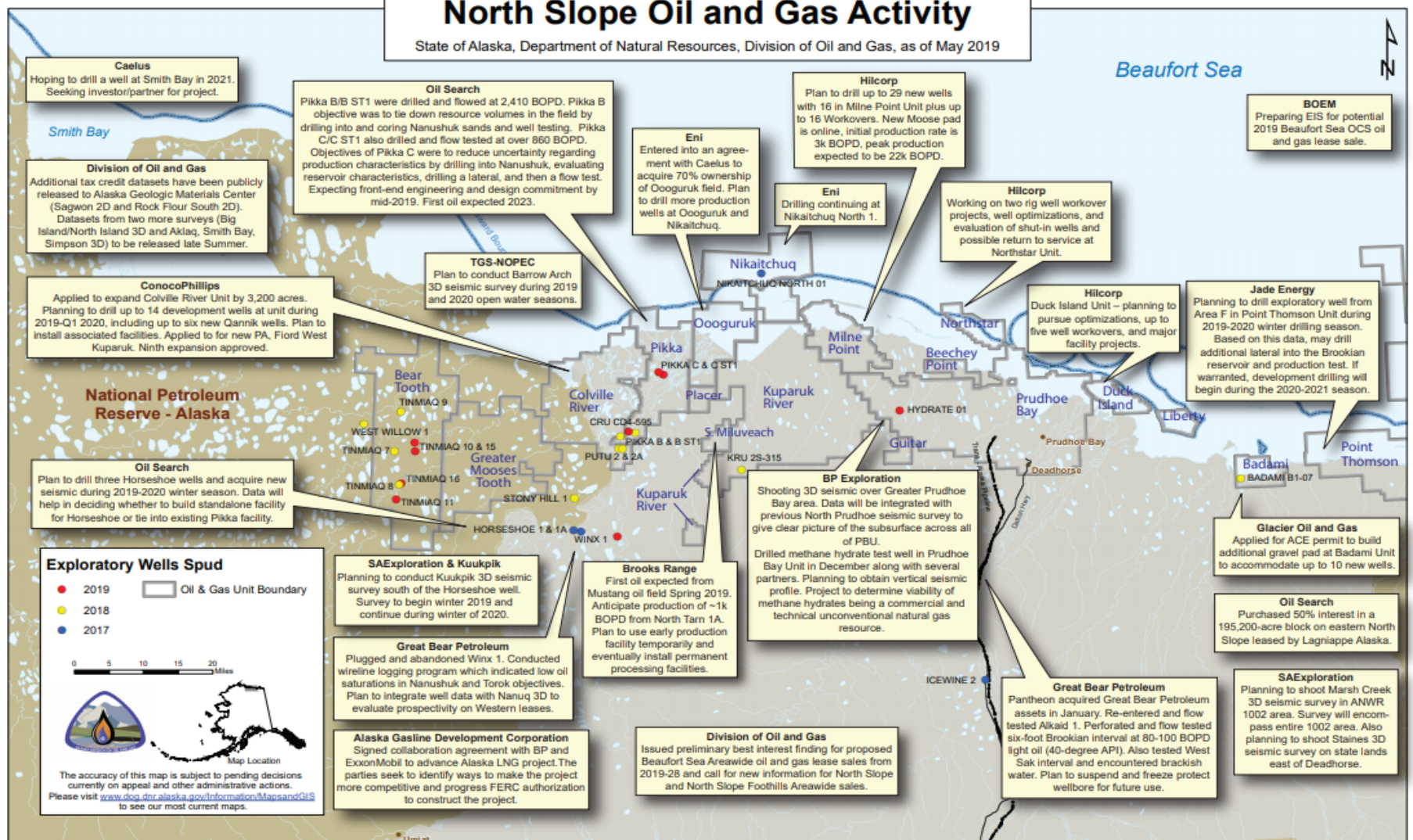
STATE OF ALASKA - ROYALTY RATE -



NORTH SLOPE -CURRENT ACTIVITIES-

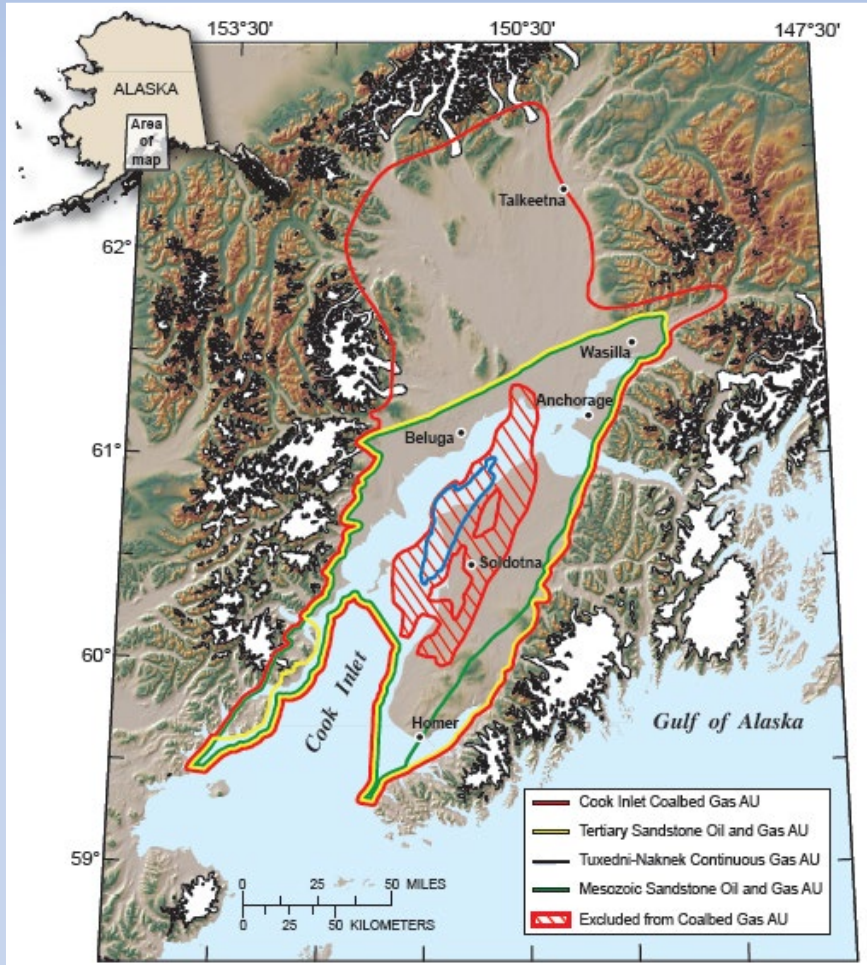
North Slope Oil and Gas Activity

State of Alaska, Department of Natural Resources, Division of Oil and Gas, as of May 2019



COOK INLET OIL AND GAS

- UNDISCOVERED RESOURCES (USGS) -

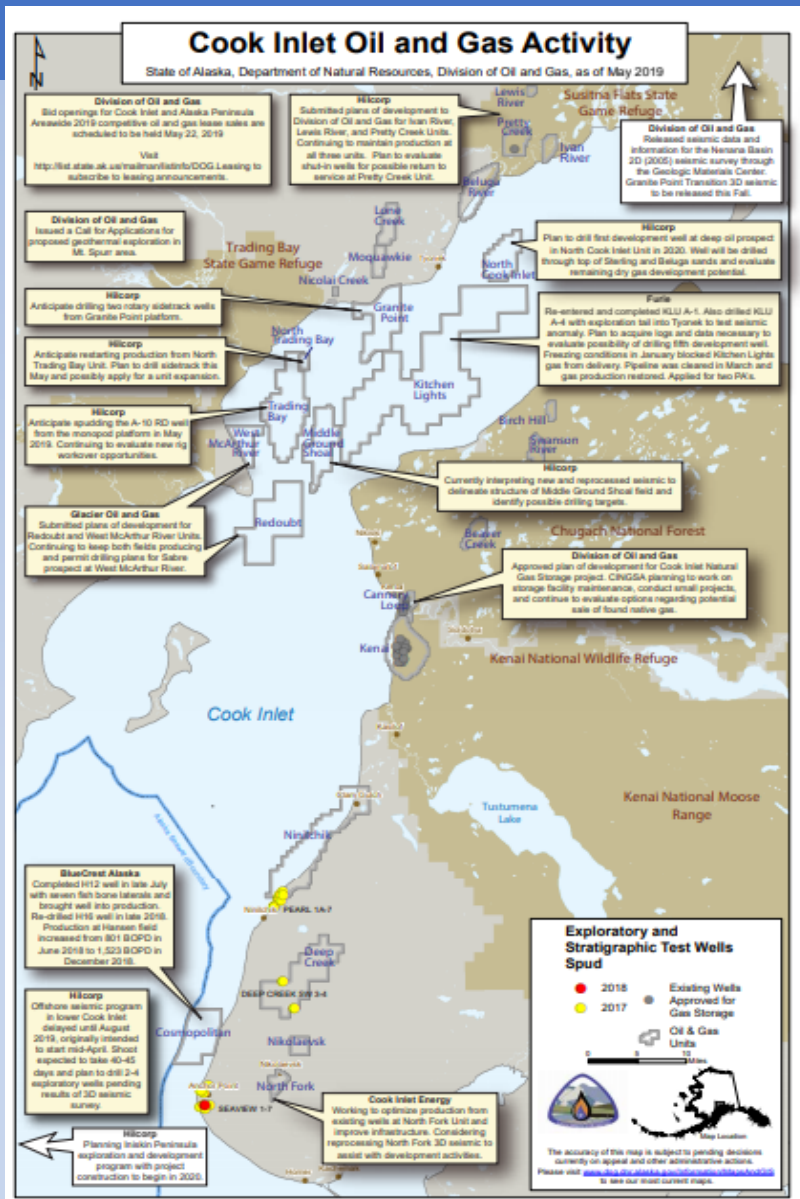


Undiscovered, Technically Recoverable Oil and Gas

- Mean conventional oil 599 MMBO
 - 372 MMBO in Tertiary Ss play
- Mean Conventional gas 13.7 TCF
 - 12.2 TCF in Tertiary Ss play
 - 1.5 in Mesozoic Ss play
- Mean unconventional gas 5.3 TCF
 - 0.6 TCF Mesozoic tight ss play
 - 4.7 TCF tertiary Coalbed play

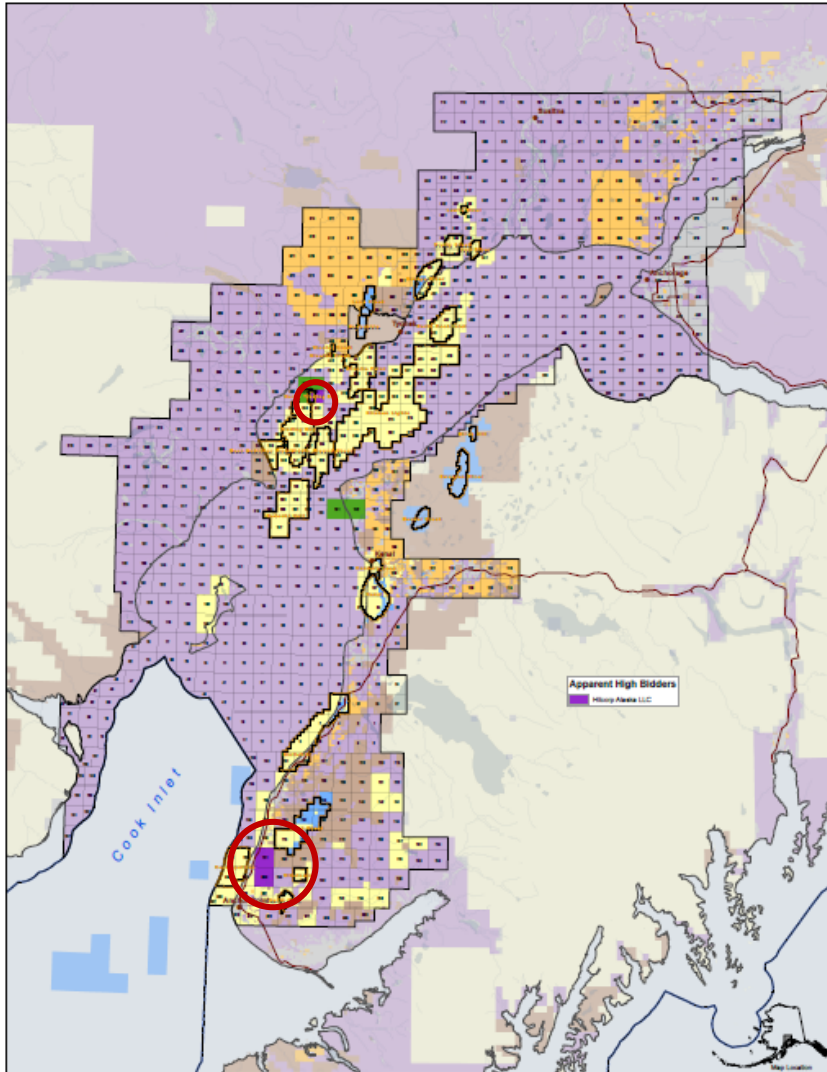
Note: 1.2 TCF additional mean resource assessed in OCS waters (BOEM, 2011)

COOK INLET ACTIVITIES



OPEN FOR BUSINESS

Cook Inlet Areawide 2019W
Competitive Oil and Gas Lease Sale Regional Tract Map
May 22, 2019



Spring Cook Inlet Lease Sale Results:

Received 3 bids encompassing 10,286 acres
awarded to Hilcorp Alaska

Upcoming Fall Lease Sale

North Slope, Beaufort Sea, Foothills, and SALSA

Sale Date: December 11, 2019

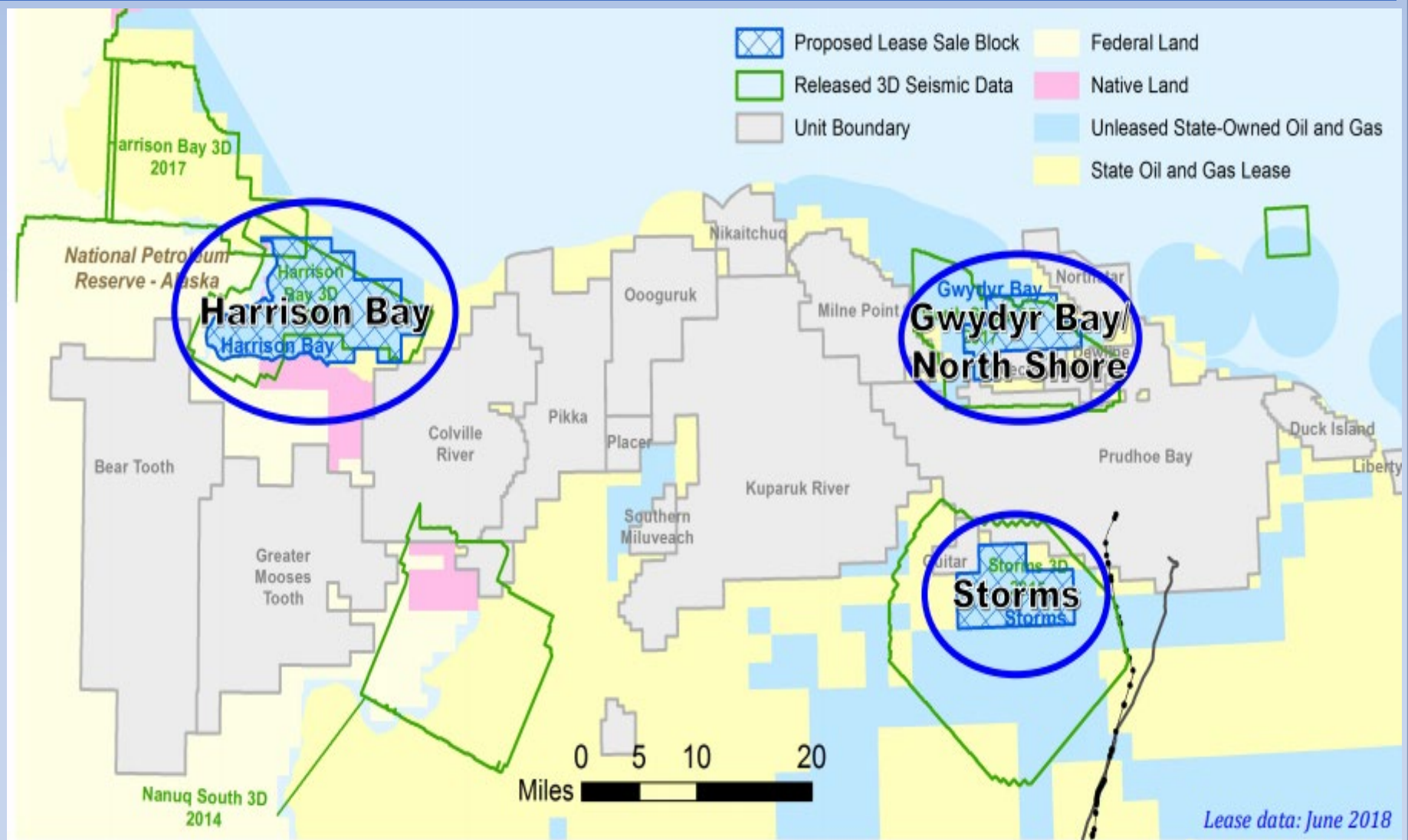
Offering three SALSA blocks

More Information on SALSA Block data and
North Slope data at:

dog.dnr.alaska.gov/Library/SALSA

Planned joint lease sales with BLM's
NPR-A and ANWR sale

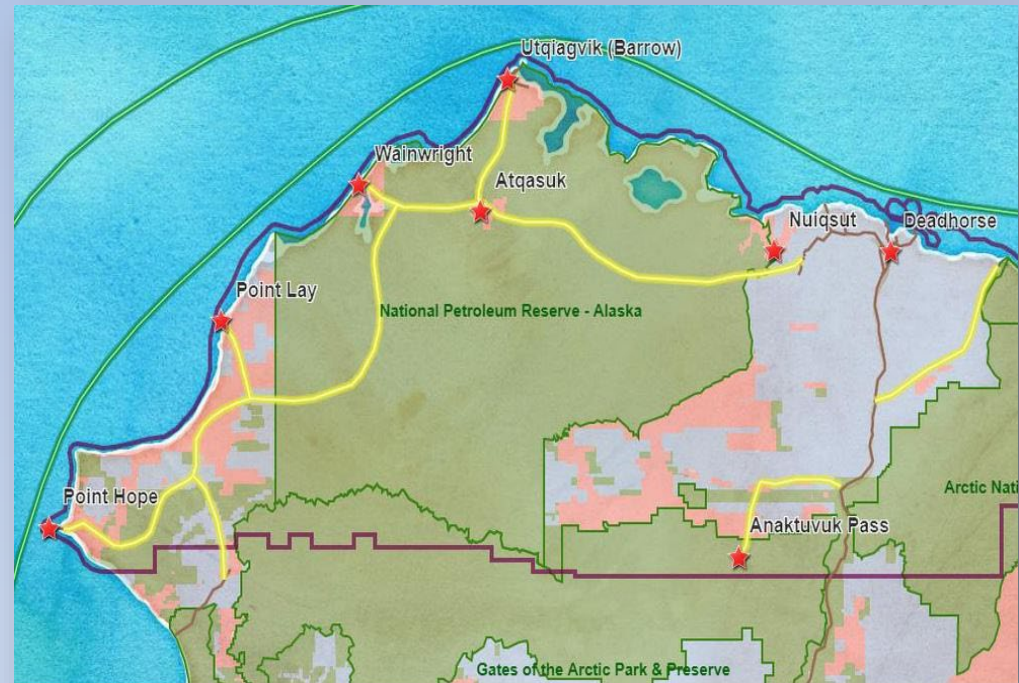
SALSA AREAS



GROWING ALASKA: INFRASTRUCTURE

Arctic Strategic Transportation and Resources - ASTAR

- One of the primary challenges in producing resources in our state is its vast size.
- Arctic resource development is especially dependent on infrastructure for spill response, mobilization, sealifts, etc.
- Lower the cost of energy, basic goods, & utilities across the NS
- Improve infrastructure to provide community security and improve public safety



- Enhancing access to create opportunities to strengthen cultural exchange and community connectivity

DNR RESOURCES

DNR is a one-stop shop for investors & operators seeking to develop natural resources in Alaska

- DNR/ Division of Oil and Gas (DOG) holds lease sales twice annually
- North Slope exploration season takes place in winter to minimize tundra impacts as authorized by Division of Mining Land and Water (DMLW)
- DNR Office of Project Management and Permitting (OPMP) assists companies navigating the federal and state permitting process
- Division of Geologic and Geophysical Surveys (DGGS) provides seismic and geological data, available to the public, across the state
- The State Pipeline Coordinator (SPC) will provide all necessary assistance to permit pipelines to carry product



THANK YOU!

