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
**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
Secure lands and access from Federal Government.

Identify minerals and oil and gas prospectivity via Best Interest Findings.

Lease lands for exploration and development.

Permit programs to ensure conservation of resources and protection of state’s lands and interests.

Manage production units and mines to protect state’s royalty interests.

Approve and monitor reclamation and closure operation.
**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

**EIS**
- Notice of Intent
- Scoping
- Draft EIS
- Final EIS
- Record of Decision

**Federal**
- USACE – Wetlands
- USFS – Plan of Operations
- E.O. 13175
- Tribal Consultation
- USFWS/NMFS
- Endangered Species Act Consultation
- NMFS
- EFH Assessment

**State**
- DNR Plan of Operations/Development
- DNR Financial Assurances
- DEC Integrated Waste Management
- ADEC Waste Management, Air Quality, Water Quality

**Local**
- Borough Plan
- City Plan
- Tribal Village Plan

**Federal Authorizations & Approvals**

**State Authorizations & Approvals**

**Local Consistency & Approvals**
**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.
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.
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.
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
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.
**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.
“... 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

Arctic Alaska, 27%

Arctic Alaska Oil + NGL 36 Billion Barrels

UNDISCOVERED OIL (billion barrels)

- >10
- 1-10
- <1
- Area not quantitatively assessed
- Area of low petroleum potential

after USGS, 2008
GLOBAL ARCTIC GAS ESTIMATES

Arctic Alaska Gas
220 TCF Conventional

Arctic Alaska, 13%

West Siberian Basin, 39%

E. Barents Basin, 19%

Amureka Basin, 18%

UNDISCOVERED GAS
(trillion cubic feet)

- >100
- 6–100
- <6
- Area not quantitatively assessed
- Area of low petroleum potential

after USGS, 2008
2018 Fall Lease Sale brought the 3rd highest amount of winning bids since 1998

Total Bonus Bid: $29,234,028.10

Highest Bid Per Acre: $586.00

Total Leased Acres: 243,950
State of Alaska - Royalty Rate -

Offshore
Royalty Rate: 16.67%
SOA Royalty:
- 0 - 3 Miles 100%
- 3 - 6 Miles 27%
- Greater than 6 Miles 0%

NPR-A
Royalty Rate: 12.5% or 16.67%
SOA Royalty: 0% (Mitigation Fund)

State Lands
Royalty Rate: 12.5% or 16.67%
SOA Royalty: 83% - 100%

ANWR Coastal Plain
Royalty Rate: 16.67%
SOA Royalty: 50%
North Slope Oil and Gas Activity

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

- **Ceexus**
  - Hoping to drill a well at Smith Bay in 2021. Seeking investor/partner for project.

- **Smith Bay**
  - Division of Oil and Gas
  - Additional tax credit data has been publicly released in Alaska Geographic Materials Center (Sagwon 2D and Rock Flounder South 2D).
  - Data from two more surveys (Igak Island North 3D and Akalaq, Smith Bay, Simpson 3D) to be released late Summer.

- **ConocoPhillips**
  - Applied to expand Colville River Unit by 3,200 acres. Planning to drill up to 14 development wells at unit curing 2019-Q1 2020, including up to six new Qamvak wells. Plan to install associated facilities. Applied to for new PA. Ford West Kuparuk. Ninth expansion approved.

- **National Petroleum Reserve - Alaska**
  - Plan to drill three Horsetooth wells and acquire new seismic during 2019-2020 winter season. Data will help in deciding whether to build standalone facility for Horsetooth or tie into existing Pikka facility.

- **Exploratory Wells Spud**
  - **2019**
    - Oil & Gas Unit Boundary
  - **2018**
  - **2017**

- **Alaska Gasline Development Corporation**
  - Signed collaboration agreement with BP and ExxonMobil to advance Alaska LNG project. The parties seek to identify ways to make the project more competitive and progressive for EPC authorization to construct the project.

- **North Slope Oil and Gas Activity**
  - Issued preliminary best interest finding for proposed Beaufort Sea Areawide oil and gas lease sale from 2019-20 and call for new information for North Slope and North Slope foothills Areawide sales.

- **BP Exploration**
  - Shooting 3D seismic over Greater Prudhoe Bay area. Data will be integrated with previous North Prudhoe seismic survey to give clear picture of the subsurface across all of PBU.
  - Drilled methane hydrate test well in Prudhoe Bay Unit in December along with several partners.
  - Planning to obtain vertical seismic profile. Project to determine viability of methane hydrate as a commercial and unconventional natural gas reservoir.

- **SAExploration & Kukpik**
  - Planning to conduct Kukpik 3D seismic survey south of the Horsetowl well. Survey to begin winter 2019 and continue during winter of 2020.

- **Great Bear Petroleum**
  - Plugged and abandoned Well 1. Conducted wireline logging program which indicated low oil saturations in Nanushuk and Torok objectives.
  - Plan to integrate well data with Noomoc 3D to evaluate prospectivity on Western areas.

- **Brooks Range**
  - First oil expected from Munson oil field Spring 2019.
  - Anticipate production of 15 BOPD from North Tarn 1A.
  - Plan to use early processing facility temporarily and eventually install permanent processing facilities.

- **Hilcorp**
  - Plan to drill up to 21 new wells with 10 in Mitme Point Unit plus up to 10 Wellers. New Moosone pad is online, initial production rate is 3k BOPD, peak production expected to be 7k BOPD.
  - Working on two rig well workover projects, well optimizations, and evaluation of shut-in wells and possible return to service at Northstar Unit.

- **Jade Energy**
  - Planning to drill exploration well from Area A in Point Thomson Unit during 2019-2020 winter drilling season. Based on this data, may drill additional lateral into the Brooks reservoir and production test. If warranted, development drilling will begin during the 2020-2021 season.

- **BP Exploration**
  - Planning to drill exploratory well from Area F in Point Thomson Unit during 2019-2020 winter drilling season. Based on this data, may drill additional lateral into the Brooks reservoir and production test. If warranted, development drilling will begin during the 2020-2021 season.

- **Hey Bud**
  - Applied for ACE permit to build additional gravel pit at Badami Unit to accommodate up to 10 new wells.

- **Oil Search**
  - Purchased 50% interest in a 195,200-acre block on eastside North Slope leased by Lagnappe Alaska.

- **Great Bear Petroleum**
  - Pantheon acquired Great Bear Petroleum assets in January. Re-enabled and flow tested Alak 1. Perforated and flow tested six-foot Brekland interval at 80-100 BOPD light (40 degree API), also tested West Bak interval and encountered brackish water. Plan to suspend and freeze protect wells for future use.

- **SAExploration**
  - Planning to shoot Marsh Creek 3D seismic survey in AWPR 1002 area. Survey will encompass entire 1002 area. Also planning to shoot Clarence 3D seismic survey on state lands east of Deadhorse.
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

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

- Division of Oil and Gas
  - Submitted plans to development Division of Oil and Gas for Khen River Trailing Bay oil and gas. Continuing to maintain production at all these units. Plan to evaluate other fields for possible return to production.

- Glaciers Oil and Gas
  - Submitted plans to development for Khen River Trailing Bay oil and gas. Continuing to evaluate production potential and plans for generating plans for future production.

- Kenai National Moose Range
  - Planned exploration and development program to be completed in 2023.

- Cook Inlet Energy
  - Working to optimize production from existing wells at North Fork Unit and improve infrastructure. Considering representing North Fork 3D seismic data asset with development activities.

- Exploratory and Stratigraphic Test Wells Spud
  - 2018: Existing Wells Approved for Gas Storage
    - 2017: Existing Wells

- Alaska Peninsula
  - Planned exploration and development program to be completed in 2023.
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

Spring Cook Inlet Lease Sale Results:
Received 3 bids encompassing 10,286 acres awarded to Hilcorp Alaska

Open for Business
GROWING ALASKA: INFRASTRUCTURE

Arctic Strategic Transportation and Resources - ASTAR

• One of the primary challenges in producing resources in our state 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!