

Corri A. Feige
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Department of
Natural Resources

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STATE OF ALASKA

PRESS RELEASE

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Oil and Gas division recommends Mt. Spurr geothermal exploration

(Anchorage, AK) – Developing geothermal resources underneath Mount Spurr would be in the best interest of the state, which should approve permits for such development, says the director of the state Division of Oil and Gas.

The division issued the “Mount Spurr Noncompetitive Geothermal Prospecting Permit” on Dec. 22, giving Raser Power Systems, LLC, a Utah-based geothermal drilling company, the exclusive right to prospect for geothermal resources on about 6,750 acres of state land for two years.

Mt. Spurr is a volcanic island about 80 miles west of Anchorage, whose eruptions in 1952 and 1992 tangled air traffic and blanketed the region with ash, but also reminded the state of the immense geothermal energy underlying the Aleutian Islands along the Pacific Ocean’s volcanically active “Rim of Fire,” said Tom Stokes, director of the Division of Oil and Gas.

“While Alaska produces immense amounts of energy in the form of oil and gas, we also have significant geothermal energy resources that could be developed for the common good,” Stokes said. “After a thorough consideration of the potential positive and negative aspects, we believe Mt. Spurr is a promising development opportunity, and we’re gratified to see commercial interest in these permits.”

State law defines geothermal energy as the natural heat of the earth, usually captured in water or steam, and authorizes the division to issue permits to develop such resources for commercial or personal use. Discovery of commercial quantities of geothermal energy can lead to conversion of such permits into production leases that can pay royalties to the state.

Several companies have expressed interest in pursuing geothermal resource exploration in the Mt. Spurr region and other areas of the state in recent years, Stokes said. In response, the division in August 2018 sought suggestions for promising areas, and in February 2019 invited bids on 12 tracts covering about 28,200 acres on Mt. Spurr. As the sole applicant, Raser qualified to win the permits on a non-competitive basis.

This represents the state’s first geothermal exploration permitting effort since 2008, when it sold 16 tracts in a competitive lease sale. The last of those leases were

relinquished in 2014, after resulting in no commercial production. The most recent disposal of geothermal resources was on Augustine Island, in 2013.

“We in the Division of Oil and Gas are pleased to see the increasing interest in Alaska’s geothermal resources as a way to diversify the state’s energy portfolio,” Stokes said.

The division will accept public comments on the director’s preliminary finding and decision until January 23, 2021. Stokes’ final decision will include responses to such comments, and may incorporate suggested changes to the proposed permit.

The full permitting decision is available at:

https://dog.dnr.alaska.gov/Document/E5262D7ABD9D4C39AA182BA05421CC98/12-22-2020_Mount_Spurr_Noncompetitive_Geothermal_Prospecting_Permit_Preliminary_Written_Finding_of_the_Director?

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