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Department of
Natural Resources

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Anchorage, Alaska

STATE OF ALASKA

PRESS RELEASE

For Immediate Release: March 12, 2021

Mt. Spurr geothermal exploration gets OK from Oil and Gas division

(Anchorage, AK) – The Division of Oil and Gas today issued a permit authorizing exploration for geothermal resources underlying Mt. Spurr, an important milestone in developing a new source of energy in the state.

The non-competitive geothermal prospecting permit gives 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. The permit was issued concurrently with a final finding and decision by division Director Tom Stokes that the exploration authorized by the permit is in the best interests of the state.

Mt. Spurr is a volcano 80 miles west of Anchorage, whose eruptions and resulting ashfalls in 1952 and 1992 disrupted travel but also demonstrated the power of the immense geothermal energy underlying the Aleutian Islands along the Pacific Ocean's volcanically active Ring of Fire.

"Alaska's special geologic characteristics are what established our state as a national storehouse of energy," said Stokes. "Approving this permit to explore for geothermal resources in the Mt. Spurr area is the next step forward in potentially expanding that storehouse to include new energy resources."

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 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.

Governor Mike Dunleavy has introduced legislation to modernize and improve the state's program for geothermal exploration and production. [House Bill 135](#) and [Senate Bill 104](#) were introduced in the Alaska State Legislature on Wednesday and referred to the respective natural resources and finance committees.

"Geothermal represents an exciting new opportunity to develop reliable sources of energy and spur economic activity to benefit rural Alaska communities," Stokes said. "We are excited to help advance this promising new area of energy development."

The state last issued geothermal exploration leases in the Mt. Spurr area in 2008, but no commercial production resulted. Increased interest in geothermal resources, along

with advances in exploration technology and techniques, prompted the state in 2018 to solicit suggestions for promising areas for geothermal exploration, and to accept applications on their merits.

Raser was the sole applicant for a non-competitive permit at Mt. Spurr. The division is currently working through the best interest finding process for another permit application from a different company interested in exploring a nearby area at Mt. Spurr, which Stokes said he expects to be completed this Spring.

The final permitting decision and best interest finding for the Raser permit, which includes responses to public comments on the proposed permit, are available at: https://dog.dnr.alaska.gov/Documents/Programs/Mt_Spurr_Noncompetitive_Geothermal_Propecting_Permit.pdf

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