STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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EXTENSION OF CALL FOR COMMENTS ON
HOUSTON-WILLOW BASIN GAS EXPLORATION LICENSE PROPOSAL

On April 14, 2008, the Department of Natural Resources, Division of Oil and Gas (DO&G) requested comments regarding the notice of its intent to evaluate a natural gas only exploration license proposal. Exploration licenses are issued for areas outside of the state's oil and gas lease sale areas.

DO&G is extending the comment period on the Houston-Willow natural gas only exploration lease. The applicant, LAPP Resources, Inc. has proposed a minimum work commitment of $500,000.00 with a 10-year term. Under AS 38.05.131 et. seq. and 11 AAC et. seq., the exploration license holder will have the exclusive right to explore state land within the license area for deposits of gas. The licensee must pay a one-time fee of $1 per acre and post a bond or other surety to guarantee performance of the minimum work commitment. Prior to exploration of the license area the license holder must apply for the appropriate permits and post any additional bonds required of operators. Upon completion of the work commitment, the licensee may convert all or a portion of the license area to gas only lease(s).

The proposed license encompasses approximately 21,080 acres lying generally north and east of the Parks Highway and may affect the communities of Houston, Willow, and Meadow Lakes. The proposed license area is for state land only within the following:

T.19N, R.3W, Seward Meridian, Sections 31 through 36.
T.18N, R.3W, S.M, Sections 1 through 18;
Section 20: NE1/4, NE1/4NW1/4, NE1/4SE1/4;
Section 21: N1/2, N1/2S1/2;
Section 22: N1/2, N1/2S1/2;
Section 23: N1/2, N1/2S1/2;
Section 24: N1/2.
T.19N, R.4W, S.M, Sections 35 and 36.
T.18N, R.4W, S.M, Sections 1, 2;
Section 11: NE1/4, E1/2NW1/4, NW1/4NW1/4, E1/2SE1/4, NW1/4SE1/4;
Section 12: All;
Section 13: NE1/4, E1/2NW1/4, NW1/4NW1/4.

Request for Public Comments

Before issuing an exploration license DO&G must issue a written finding to determine if an exploration license in this area is in the state's best interests. The 30-day public and agency comment period extension for this proposed license area begins June 14, 2008. Comments must be received by July 14, 2008 to ensure consideration and must be mailed to Kathy Means, Division of Oil and Gas, 550 West 7th Avenue, Suite 800; Anchorage, AK 99501-3560; e-mailed to kathy.means@alaska.gov; or faxed to Kathy Means at (907)269-8943. DO&G will use the comments submitted to prepare a Preliminary Best Interest Finding, which will be released for additional public comment prior to the completion of a Final Best Interest Finding.

DO&G complies with Title II of the Americans with Disabilities Act 1990. This publication will be made available in alternative communication formats upon request. Please contact Tim Jones at (907)269-8814 to make any necessary arrangements. For further information regarding this proposal, please visit the division's website at www.dnr.dog.state.ak.us or contact Kathy Means at (907) 269-8757; email: kathy.means@alaska.gov.

for Kevin Banks,
Director
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