

# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

SARAH PALIN, GOVERNOR

550 WEST 7<sup>TH</sup> AVENUE, SUITE 800  
ANCHORAGE, ALASKA 99501-3560  
PHONE: (907) 269-8800  
FAX: (907) 269-8943

April 14, 2008

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

On December 17, 2007, the Department of Natural Resources, Division of Oil and Gas (DO&G) provided notice of its intent to evaluate a natural gas only exploration license proposal and requested competing proposals. DO&G received no competing proposals. Exploration licenses are issued for areas outside of the state's oil and gas lease sale areas.

Pursuant to AS 38.05.133(d) and AS 38.05.945(b), DO&G is requesting comments 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. 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;

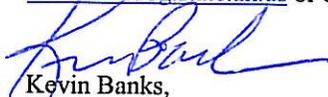
Section 13: NE1/4, E1/2NW1/4, NW1/4NW1/4.

### 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 60-day public and agency comment period for this proposed license area begins April 14, 2008. Comments must be received by June 13, 2008 to ensure consideration and must be mailed to Kathy Means, Division of Oil and Gas, 550 West 7<sup>th</sup> Avenue, Suite 800; Anchorage, AK 99501-3576; e-mailed to [kathy.means@alaska.gov](mailto: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.

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).

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](http://www.dnr.dog.state.ak.us) or contact Kathy Means at (907) 269-8757; email: [kathy.means@alaska.gov](mailto:kathy.means@alaska.gov).



Kevin Banks,  
Director

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*"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."*