



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

Division of Oil & Gas
Anchorage Office

550 W. 7th Avenue, Suite 1100
Anchorage, Alaska 99501-3560
Main: 907.269.8800
Fax: 907.269.8939

February 19, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Teresa Imm, President
ASRC Exploration LLC
3900 C Street, Ste. 1000
Anchorage, AK 99503

Re: Placer Unit expansion – conditions satisfied

Dear Ms. Imm:

On January 23, 2015, the Division of Oil and Gas (Division) received the Placer Unit (PLU) Performance Surety Bond Agreement with a Power of Attorney letter for the \$2.5 million performance bond from ASRC Exploration, LLC (AELLC). The submittal of these documents satisfied the final condition of the “Placer Unit: Decision on Remand from the Commissioner Conditionally Approving AELLC’s Application and Appeals to Expand the Placer Unit and To Amend its Plan of Exploration” (Decision) dated November 13, 2014.

On December 31, 2014, AELLC provided the Division with an amended PLU Plan of Exploration (POE). Submitting the amended POE was the other condition required by the Decision before the PLU would be expanded. The Division approved the amended PLU POE by letter dated January 30, 2015. The Decision effective date as of the date AELLC submitted the Performance Surety Bond Agreement (January 23, 2015). The PLU expansion date is retroactively effective on January 30, 2014 which is the day preceding the expiration date of the leases added to the PLU.

This letter sets forth the due date for the first Plan of Development, the unit exhibit submittal requirements, and the leases added to the PLU. A lease action letter is also forthcoming from the Division.

Plan of Exploration

The amended PLU POE will expire on September 7, 2016. The first POD is due to the Division at least 90 days before the expiration of the amended PLU POE, on or before June 10, 2016.

Exhibits

A description of the leases added to the PLU is set forth below. AELLC must provide the Division with updated Exhibits A and B of the Placer Unit Agreement within 30 days of the date of this letter. The updated Exhibit A with full legal descriptions shall be provided in a PDF and Excel file format.

Leases added to the PLU

AELLC was issued four State oil and gas leases totaling 8,768 acres on February 1, 2007 (ADLs 391023, 391024, 291027, and 391028). Portions of these four leases (1,480 acres) were added to

the PLU when it was originally formed on September 8, 2011. As part of forming the PLU, the four original leases were segregated with the portions of the leases not committed to the PLU given two-year expiration term extensions and new ADL numbers 391910, 391911, 391912, and 391913. The Decision expands the PLU to include these four new ADLs in their entirety. Please reference the tables below which provide further information on the leases originally included in the PLU and those leases included in the PLU upon expansion of the PLU.

Leases committed to PLU September 8, 2011

ADL	Acres	State Royalty Interest %	Lease Effective Date	Lease Form	Working Interest Owners and Percentage	Lease Expiration Date
391023	800	16.66667	2/1/2007	200204(REV10/03)	AELLC100%	1/31/2012
391024	560	16.66667	2/1/2007	200204(REV10/03)	AELLC 100%	1/31/2012
391027	80	16.66667	2/1/2007	200204(REV10/03)	AELLC 100%	1/31/2012
391028	40	16.66667	2/1/2007	200204(REV10/03)	AELLC 100%	1/31/2012
TOTAL ACRES: 1, 480.0						

Leases added to PLU effective January 30, 2014

ADL	Acres	State Royalty Interest %	Lease Effective Date	Lease Form	Working Interest Owners and Percentage	Lease Expiration Date
391910	480	16.66667	2/1/2007	200204(REV10/03)	ASELLC 100%	1/31/2014
391911	1909	16.66667	2/1/2007	200204(REV10/03)	AELLC 100%	1/31/2014
391912	2480	16.66667	2/1/2007	200204(REV10/03)	AELLC 100%	1/31/2014
391913	2419	16.66667	2/1/2007	200204(REV10/03)	AELLC 100%	1/31/2014
TOTAL ACRES: 7, 288.0						

The PLU will now include eight state oil and gas lease consisting of 8,768 acres.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of “issuance” of this decision, as defined in 11 AAC 02.040 (c) and (d), and may be mailed or delivered to Mark Myers, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, AK 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. This decision immediately takes effect. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

If you have questions regarding this letter, please contact Kyle Smith with the Division at (907) 269-8807, or via email at kyle.smith@alaska.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul L. Decker".

Paul L. Decker
Acting Director

cc: DOL

If you have questions regarding this letter, please contact Kyle Smith with the Division at (907) 269-8807, or via email at kyle.smith@alaska.gov.

Sincerely,



Paul L. Decker
 Acting Director

cc: DOL

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Total Postage & Fees	\$ 6.48
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Units 2/19/15	
Sent To	Teresa IMM, President
Street, Apt. No., or PO Box No.	ASRC Exploration LLC
City, State, ZIP+4	3900 C Street, Ste. 1000 Anchorage, AK. 99503
PS Form 3800, August	Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee B. Received by (Printed Name) <u>Jordan Allen</u> C. Date of Delivery <u>2/21/15</u>
1. Article Addressed to: <div style="border: 1px solid black; padding: 5px; text-align: center;"> Teresa IMM, President ASRC Exploration LLC 3900 C Street, Ste. 1000 Anchorage, AK. 99503 </div>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery
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