

Kevin Meyer
Lieutenant Governor
State Capitol
Juneau, Alaska 99811
907.465.3520
WWW.LTGOV.ALASKA.GOV




530 West 7th Ave, Suite 1700
Anchorage, Alaska 99501
907.269.7460
LT.GOVERNOR@ALASKA.GOV

**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

MEMORANDUM

TO: Mary Kay Ryckman
Department of Natural Resources

FROM: April Simpson, Office of the Lieutenant Governor 
465.4081

DATE: November 26, 2019

RE: Filed Permanent Regulations: Department of Natural Resources

Department of Natural Resources regulation re: Div. of Oil and Gas: Oil and Gas Lease
(11 AAC 04.010 - 88.185)

Attorney General File:	2018200747
Regulation Filed:	11/26/2019
Effective Date:	12/26/2019
Print:	232, January 2020

cc with enclosures: Harry Hale, Department of Law
Judy Herndon, LexisNexis

ORDER ADOPTING CHANGES TO REGULATIONS
OF DEPARTMENT OF NATURAL RESOURCES

The attached 22 pages of regulations, dealing with payment of oil and gas royalties, rents and bonuses and mineral leasing practices and procedures, including oil and gas leasing procedures, are adopted and certified to be a correct copy of the regulation changes that the Department of Natural Resources adopts under the authority of AS 38.05.020 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

Although no public comments were received regarding the cost to private persons of the regulatory action being taken, the Department of Natural Resources paid special attention to the cost to private persons of the regulatory action being taken when developing the proposed changes.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

Date: 9/13/19



Corrie A. Feige, Commissioner

FILING CERTIFICATION

April Simpson for

I, Kevin Meyer, Lieutenant Governor for the State of Alaska, certify that on

November 26, 2019, at 3:47 p.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.


for Lieutenant Governor Kevin Meyer

Effective: December 26, 2019.

Register: 232, January 2020

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

**I, KEVIN MEYER, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA,
designate the following state employees to perform the Administrative Procedures Act
filing functions of the Office of the Lieutenant Governor:**

**Josh Applebee, Chief of Staff
Kady Levale, Notary Administrator
April Simpson, Regulations and Initiatives Specialist**

**IN TESTIMONY WHEREOF, I have
signed and affixed the Seal of the State of
Alaska, in Juneau, on December 11th,
2018.**



A handwritten signature in blue ink, appearing to read "K. Meyer", is written over a horizontal dotted line.

**KEVIN MEYER
LIEUTENANT GOVERNOR**

Register 232, January, 2020

← NATURAL RESOURCES

11 AAC 04 is amended to read:

Chapter 4. Payment of Oil and Gas Royalties [,RENTS, AND BONUSES].

Authority: AS 38.05.020 AS 38.05.135 AS 38.05.180

11 AAC 04.010(a) is amended to read:

(a) The provisions of this chapter apply to royalty [, RENTAL, AND BONUS] payments in connection with all state oil and gas leases. (Eff. 2/21/98, Register 145; am 12/27/2002, Register 164; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.135 AS 38.05.180

11 AAC 04.020 is amended to read:

11 AAC 04.020. Designated payor. The lessee shall make all royalty [, RENTAL, AND MINIMUM ROYALTY] payments and any other payments, in accordance with its lease ownership interest, unless otherwise approved in writing by the department [COMMISSIONER]. (Eff. 2/21/98, Register 145; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.135 AS 38.05.180

11 AAC 04.030(b) is repealed.

(b) Repealed 12/26/2019.

11 AAC 04.030(c) is repealed.

(c) Repealed 12/26/2019.

Register 232 . January . 20 20

← NATURAL RESOURCES

11 AAC 04.030(d) is repealed.

(d) Repealed 12/26/2019. (Eff. 2/21/98, Register 145; am 12/26/2019.

Register 232)

Authority: AS 38.05.020 AS 38.05.135 AS 38.05.180

Editor's note: As of Register — the subject matter of former 11 AAC 04.030(b) is located in 11 AAC 83.110(a) and the subject matter of former 11 AAC 04.030(d) is located in 11 AAC 82.465.

11 AAC 04.040(b) is repealed:

(b) Repealed 12/26/2019.

11 AAC 04.040 (c) is repealed:

(c) Repealed 12/26/2019.

11 AAC 04.040(d) is amended to read:

(d) The lessee shall send all supporting documentation for payments by approved electronic commerce method or in writing, to the address specified by the **department** [COMMISSIONER]. (Eff. 2/21/98, Register 145; am 12/27/2002, Register 164; am 1/9/2014,

Register 209; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.135 AS 38.05.180

Editor's note: Forms and instructions for making royalty payments and filing royalty reports and supporting documentation required to comply with 11 AAC 04. can be obtained at the Anchorage office of the Department of Natural Resources, Division of Oil and Gas, 550 West 7th Avenue, Suite 1100, or can be found on the department's website at

Register 232 . January , 20 20

← NATURAL RESOURCES

<http://dog.dnr.alaska.gov/Services/Royalty>

[WWW.DOG.DNR.ALASKA.GOV/ROYALTY/REPORTINGINSTRUCTIONS.HTM].

11 AAC 04.050 is repealed and readopted to read:

11 AAC 04.050. Methods of payment; payment application. (a) The lessee shall make royalty payments to the credit of the state by an ^{automated clearing house} ACH transaction, by a wire transfer through the Federal Reserve System, or by another method as approved by the commissioner, to the address specified in writing by the department.

(b) The lessee shall make payments of amounts other than royalties, including payments of interest or administrative fees, in accordance with (a) of this section.

(c) The lessee shall make minimum royalty payments in accordance with the minimum royalty provisions of the lease, when applicable. Otherwise, the lessee shall make minimum royalty payments in accordance with 11 AAC 04.050(a). ^{← of this section}

(d) The division will

(1) apply a payment described in (a) – (b) of this section in the following order

(A) first, to pay administrative fees:

(B) ^{second} ~~next~~ to pay interest:

(C) ^{third} ~~next~~ to pay past principal:

(D) ^{fourth} ~~finally~~ to reduce current principal: and

(2) apply the payment first to the accounting unit with the smallest produced volume for the production month being paid by the lessee. (Eff. 2/21/98, Register 145; am 12/27/2002, Register 164; am 12/26/2019, Register 232)

Register 232, January, 2020

NATURAL RESOURCES

Authority: AS 38.05.020 AS 38.05.135 AS 38.05.180

11 AAC 04.060 is amended to read:

11 AAC 04.060. Royalty refunds [REFUNDS] and credits.

11 AAC 04.060(b) is amended to read:

(b) The division will, in its discretion, apply a refund to offset amounts owed by a lessee on any other royalties [, BONUSES, RENTS OR OTHER PAYMENTS] due the state.

(Eff. 2/21/98, Register 145; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.135 AS 38.05.180

11 AAC 05.110(d)(3)(M) is amended to read:

(M) transfer of an interest in an oil and gas or gas only lease, oil and gas or gas only exploration license, or gas storage lease, including an initial separation of an overriding royalty interest and working interest, \$250;

[(i) FOR A SINGLE LEASE, \$300

(ii) FOR EACH ADDITIONAL LEASE FILED AS A PART OF
A SINGLE PACKAGE, FROM THE SAME ASSIGNOR TO THE SAME
ASSIGNEE AND THE TRANSFER PERCENTAGES AS IN (i) OF THIS
SUBPARAGRAPH, \$100;]

(Eff. 7/1/2018, Register 227; am 12/26/2019, Register 232)

^{Bold}
Authority: AS 27.21.030 AS 38.05.035 AS 38.05.255

Register 232, January, 2020

← NATURAL RESOURCES

AS 37.10.050

AS 38.05.133

AS 38.05.850

AS 37.10.058

AS 38.05.177

AS 41.06.020

AS 38.05.020

AS 38.05.180

AS 44.37.020

11 AAC 82.205(f) is amended to read:

(f) If it is still current and accurate, materials previously filed with the department that satisfies all or part of the requirements of this section may be incorporated into an application by reference to the filing date of the previously filed material and by providing a statement as to any material changes or amendments. Material changes or amendments to any of the information required under (a) - (e) of this section must be submitted before any individual or entity may

(1) bid in a lease sale;

(2) apply or submit a bid for an exploration license;

(3) apply for a permit;

(4) apply to transfer any interest in a lease, license, or permit; or

(5) receive any interest in a lease, license, or permit.

11 AAC 82.205 is amended by adding a new subsection to read:

(g) For leases, oil and gas exploration licenses, or permits issued under AS 38.05.13¹~~3~~ – 38.05.1¹⁴⁵~~34~~ or AS 38.05.177 – 38.05.181, if not previously submitted to the department under (f) of this section, ^amaterial changes or amendments to information provided under this section, or a confirmation that no change has occurred, must be annually updated by February 15 of each

Register 232, January, 2020

← NATURAL RESOURCES

year. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 3/27/82, Register 81; am 3/18/83, Register 85; am 7/1/89, Register 110; am 9/22/95, Register 135; am 12/26/2019, Register 232)

Authority:	AS 38.05.020	AS 38.05.133	AS 38.05.180
	AS 38.05.131	AS 38.05.145	AS 38.05.190

11 AAC 82.400 is amended to read:

11 AAC 82.400 Parcel offered for competitive lease. Competitive land will be offered for lease at the discretion of the commissioner in lease parcel which ^{the commissioner} [he] may determine to be as nearly compact in form as possible. The commissioner may defer or remove any parcel or acres in a parcel from an offering

¹
(a) before bid opening without notice. The department will return unopened bids received for a parcel that is deferred or removed from an offering, including any bid deposits submitted; or ^{under this paragraph}

²
(b) after bid opening and before lease issuance, with notice to the apparent high bidder. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 12/26/2019, Register 232)

Authority:	AS 38.05.020	AS 38.05.135	<u>AS 38.05.180</u>
------------	--------------	--------------	---------------------

11 AAC 82.405 is amended to read:

11 AAC 82.405. Method of bidding. Bidding may be by sealed bid or at public outcry auction, including online bidding, unless otherwise prescribed by law or regulation dealing with

Register 232, January, 20 20

← NATURAL RESOURCES

the subject. If not so prescribed, the method of bidding is at the discretion of the commissioner.

(Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 12/26/2019, Register 232)

Authority: AS 38.05.020 (b) AS 38.05.150 AS 38.05.180
AS 38.05.145(a)

11 AAC 82.420 is amended to read:

11 AAC 82.420. Bid form. Bids must be signed and submitted on a bid form supplied or approved by the department for the particular lease offer or on a verbatim copy of one. No bid containing or accompanied by any condition, qualification, or material alteration may be considered. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.145(a) AS 38.05.180
AS 38.05.035

11 AAC 82 is amended by adding a new section to read:

11 AAC 82.423. Bid service charges. A bidder shall be responsible for commission or like compensation payable to any third-party vendor hosting an online offering for submitted bids; including handling and transfer of bid deposits. (Eff. 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.180

Register 232, January, 20 20

← NATURAL RESOURCES

11 AAC 82.425 is repealed and readopted to read:

11 AAC 82.425. Bid deposit. Any bid deposit required by statute, regulation, or instruction provided by the department must be in United States dollars and in one of the following forms of payment or combination of forms of payment

¹

(a) cash;

²

(b) cashier's or certified check drawn on any solvent bank in the United States and made payable to the Department of Natural Resources;

³

(c) money order made payable to the Department of Natural Resources; or

⁴

(d) electronic funds transfer, wire transfer, or automated clearing house transaction for the use and benefit of the state, including if a third-party vendor approved by the department hosts an online disposal. (Eff. 9/5/74, Register 51; am 12/26/2019, Register 232)

Authority: AS 38.05.020

AS 38.05.145(a)

AS 38.05.860

11 AAC 82.430 is repealed and readopted to read:

^(a)
11 AAC 82.430. Joint bids. A bid with two or more bidders must

(1) be submitted on a bid form supplied by or approved under 11 AAC 82.420;

(2) state the percent interest of each bidder;

(3) designate one bidder who is authorized to receive notices on behalf of all the bidders; and

^{Each}
^(b) (4) ~~all~~ bidders on a bid with two or more bidders must be qualified in accordance

with 11 AAC 82.200¹⁵205. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 3/27/82,

Register 81; am 12/26/2019, Register 232)

Register 232, January, 20 20

NATURAL RESOURCES

Authority: AS 38.05.020 AS 38.05.145 AS 38.05.180

11 AAC 82.435 is amended to read:

11 AAC 82.435. Bids at [PUBLIC] auction. Each bidder at a sale by sealed bid or public outcry auction, including online bidding, shall submit to [DEPOSIT WITH] the commissioner, [OR] other officer, or other entity authorized by the commissioner conducting the sale, the deposit and information required by 11 AAC 82.415 – 11 AAC 82.430 [11 AAC 82.425 – 11 AAC 82.430] in accordance with instructions provided by the department. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 6/28/81, Register 78; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.145 AS 38.05.180
AS 38.05.860

11 AAC 82.440 is amended to read:

11 AAC 82.440. Opening bids, holding auctions. Sealed bids, including bids received online, must be opened publicly, and public auctions must be held at the time and place specified in the public notice issued in accordance with 11 AAC 82.415 [NOTICES]. No bid which the commissioner determines to be nonresponsive to the sale notice may be given further consideration at the public sale proceeding. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.145(a) AS 38.05.180

Register 232, January, 20 20

NATURAL RESOURCES

11 AAC 82.450 is amended to read:

11 AAC 82.450. Rejection of bids. The commissioner ^{may} ~~will~~, in his discretion, reject any or all bids on any tract or tracts before a lease is awarded. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.135 AS 38.05.145(a)

11 AAC 82.465 is repealed and readopted:

11 AAC 82.465. Bonus; rental; bond. (a) When the right to a lease is awarded, the department will notify the successful bidder or designee under 11 AAC 82.430(3). The successful bidder shall wire transfer federal funds in the amount of the balance of the cash bonus, first year's annual rental, submit two copies of the lease form fully executed by the high bidder(s), and, if required, file a bond or pay accrued interest within the period specified in the award notice. If an apparent high bidder fails to comply with the provisions of this section, the bidder shall forfeit rights to the awarded lease and

(1) forfeit the bid deposit; or

(2) if leased under AS 38.05.180, forfeit 20 percent of the bonus bid. The department will issue any refund, if applicable, in compliance with 11 AAC 82.475.

(b) The department will apply payments in the following order to the

(1) accrued interest, if required;

(2) balance of the cash bonus; and

(3) first year's annual rental. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 7/1/89, Register 110; am 12/26/2019, Register 232)

Register 232, January, 20 20

← NATURAL RESOURCES

Authority: AS 38.05.020 AS 38.05.145

11 AAC 82 is amended by adding a new section to read:

11 AAC 82.466. Rental reduction determination. For oil and gas, or gas only leases, with rental increases during the primary term, an application for a rental reduction determination under the terms of a lease agreement must be received at least 90 days before the lease anniversary date where the rental rate increases above \$20 per acre. Rental reduction determination application[✓] must be made on the form required by the department. (Eff. 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.035 AS 38.05.180

11 AAC 82.615(a)(1) is amended to read:

(1) be filed in triplicate if necessary and comply with 11 AAC 88.105;

(Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 7/1/89, Register 110; am 9/22/95, Register 135; am 7/1/2018, Register 227; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.132 AS 38.05.920
AS 38.05.131 AS 38.05.133

11 AAC 82.650 is amended to read:

11 AAC 82.650. Control. (a) The physical location of the boundaries of any legal subdivision subject to a lease describing land according to a protracted survey, is, for the purposes of ^{ALL CAPS} sec. 645 of this chapter controlled by the latitudes and longitudes indicated on the

← 11 AAC 82.645

Register 232, January, 20 20

← NATURAL RESOURCES

protracted survey, if no portion of the protracted survey has been surveyed by the department or by the Bureau of Land Management, Department of the Interior, under the public land rectangular system. If a portion has been surveyed by the department or the Bureau of Land Management, that survey applies. When locating the unsurveyed remainder of a section of land, a projection of the section lines from the surveyed portion as monumented under the public rectangular system to the first protracted section corner position determines the remainder of the surveyed section. If the first protracted section corner position can be closed into by the public land rectangular survey system within the accuracies and standards established by the Bureau of Land Management Manual of Surveying Instructions (2009) ^{that is adopted by reference} [BUREAU OF LAND MANAGEMENT'S 1947 MANUAL OF SURVEYING INSTRUCTIONS] and in accordance with the department's survey requirements, the protracted corner becomes a common corner for description purposes. Otherwise the surveyed section of land is closed into the protracted section line position as defined by protracted data.

(b) The boundaries of leases issued before July 22, 1979 will be controlled by this section upon approval of the department [COMMISSIONER] with the consent of the lessees of record. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.035 AS 38.05.145(a)

Editor's Note: Copies of the Bureau of Land Management Manual of Surveying Instructions (2009), adopted by reference in 11 AAC 82.650(a), are available for review at Department of Natural Resources, Division of Mining Land and Water, Survey Section

offices in Anchorage. An electronic copy may be viewed through the United States Department of the Interior at https://www.blm.gov/sites/blm.gov/files/Manual_of_Surveying_Instructions_2009.pdf

Register 232, January, 2020

NATURAL RESOURCES

11 AAC 83.110 is repealed and readopted:

to read

11 AAC 83.110 Rental. (a) Rental payments are due in accordance with the rental provisions of the lease.

(b) The department will credit an overpayment of rent to the next year's rental.

(c) All oil and gas leases are conditioned upon payment of the annual rental in advance on or before the beginning of each lease year before completion of a well capable of producing oil and gas in paying quantities on these leased lands.

(d) After a well has been plugged and abandoned and there is no other well on the lease capable of production, the commissioner may allow the rental rate effective during the year of the abandonment to be the rate for the remainder of the term of the lease, or, if production is achieved from a subsequent well, until the royalty or net profit share to the state exceeds the rental for that year. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71; am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.145 AS 38.05.180

11 AAC 83 is amended by adding a new section to read:

11 AAC 83.111 Rental payments during an appeal or pending application. For any lease that is expired but otherwise remains subject to a pending application or appeal, the lessee must continue to pay annual rental at the previous year's rental rate, on or before the anniversary of the lease, during the application or appeal process. If, upon resolution of an appeal or final decision issued by the department, a lease is not extended, the department may refund the rental for the current lease year, prorated by month and acreage, starting the first day of the month

Register 232, January, 20 20

NATURAL RESOURCES

following the time when the appeal resolution or decision becomes final. (Eff. 12/26/2019,

Register 232)

Authority: AS 38.05.020 AS 38.05.145 AS 38.05.180

11 AAC 83.400 is amended to read:

11 AAC 83.400. Applications. Applications for approval of a communitization or drilling agreement under AS 38.05.180(s) or drilling or development contracts under AS 38.05.180(t) must comply with 11 AAC 88.105 and must be accompanied by three signed copies of the proposed agreement **if necessary**. (Eff. 9/5/74, Register 51; am 7/22/79, Register 71, am 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.145(a) AS 38.05.180

11 AAC 83.520 is amended to read:

11 AAC 83.520. Applications for storage lease. Applications for storage leases must comply with 11 AAC 88.105 and be accompanied by

- (1) three copies of a proposed form of storage lease **if necessary**; and
- (2) supporting data demonstrating the feasibility of the proposed storage project.

(Eff. 9/5/74, Register 51; am. 12/26/2019, Register 232)

Authority: AS 38.05.020 AS 38.05.145(a)

11 AAC 88.105 is amended to read:

11 AAC 88.105. Applications. All applications filed under 11 AAC 82 - 11 AAC 86 must comply with any requirements imposed by the regulations dealing with the subject of the applications, and must

- (1) be typewritten or printed in ink;
- (2) be signed by the applicant;
- (3) be filed by mail, [OR] personal delivery, or electronic mail at any filing office of the division;
- (4) identify any affected lease, permit, or application by serial number or date of filing;
- (5) describe the land affected by the application;
- (6) state the address to which any notice concerning the application may be given [MAILED]; and
- (7) be accompanied by the filing fee or fees prescribed by 11 AAC 05.110 or 11 AAC 05.140; this filing fee is retained as a service charge in all cases, including cases in which the application is rejected, denied, or withdrawn in whole or in part. (Eff. 9/5/74, Register 51; am 1/1/86, Register 96; am 7/1/89, Register 110; am 7/1/2018, Register 227, am 12/26/2019, Register 232)

Authority: AS 38.05.020(b)

Register 232, January, 2020

← NATURAL RESOURCES

11 AAC 88.115 is amended to read:

11 AAC 88.115. Additional information. The director may require any additional information, in accordance with AS 38.05.035(a)(8), necessary to consider [REGARDING] an applicant's, claimant's, permittee's, or lessee's compliance with statute and regulations, including financial information, qualifications, business structure, and other information the director determines necessary [EXCEPT PROPRIETARY DATA NOT SPECIFICALLY AUTHORIZED BY OTHER REGULATION OR STATUTE]. Failure to comply results in rejection of the application and is a default under the terms of the permit or lease and the regulations applicable to it. (Eff. 9/5/74, Register 51; am 12/26/2019, Register 232)

Authority: AS 38.05.020(b) AS 38.05.035(a)

11 AAC 88.130(a) is amended to read:

(a) Payments are timely if an affected lease or permit is identified by an Alaska Division of Lands' serial number, and is [EITHER] (1) delivered at any of the division offices designated by the director as "filing offices" during filing hours within the time allowed by any notice, decision, regulation or law, [OR] (2) mailed on or before the due date provided by any notice, decision, regulation or law and the mailing date can be verified by postmark or other post office record or notation; or (3) submitted through a department electronic payment system on or before the due date and time provided by notice, decision, regulation or law and the date submitted can be verified.

(Eff. 9/5/74, Register 51; am 12/31/82, Register 84; am 12/26/2019, Register 232)

Authority: AS 38.05.020(b)

Register 232, January, 2020

← NATURAL RESOURCES

11 AAC 88.135 is amended to read:

11 AAC 88.135. Means of filing. Filings and payments may be made by mail, [OR] personal delivery, or through a department electronic mail, filing, or payment system if available, unless provided by the section dealing with the subject of the filing or payment. (Eff. 9/5/74, Register 51; am 12/26/2019, Register 232)

Authority: AS 38.05.020(b)²

11 AAC 88.140(a) is amended to read:

11 AAC 88.140. Notices. (a) Any notice which the director gives to any person must be in writing and must be delivered in person or mailed by trackable mail service [REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED,] to the person at the person's [HIS CURRENT] address of record with the division.

(Eff. 9/5/74, Register 51; am 12/26/2019, Register 232)

Authority: AS 38.05.020(b)²

11 AAC 88.145(b) is amended to read:

(b) Notwithstanding any other provision of 11 AAC 82-11 AAC 88, no refund will be made for less than \$10 [\$2.00] (Eff. 9/5/74, Register 51; am 12/26/2019, Register 232)

Authority: AS 38.05.020(b)²

11 AAC 88.185 is repealed and readopted to read:

11 AAC 88.185. Definitions. As used in 11 AAC 82 - 11 AAC 88 and unless the context clearly requires a different meaning or unless otherwise defined in these chapters,

(1) "adjacent" means touching or lying in close proximity, as opposed to "contiguous" which requires a common boundary;

(2) "ADL number" means the Alaska Division of Lands number assigned by the department to a casefile;

(3) "associated substances" means all substances except helium produced as an incident of production of oil and gas by ordinary production methods and not defined herein as oil or gas;

(4) "automated clearing house transaction" means an electronic transaction by means of the Automated Clearing House network for the interbank clearing of electronic payments for participating depository financial institutions;

(5) "cash" means ^acashier's or certified checks, or ^{an}electronic fund transfer drawn on any solvent bank in the United States, automated clearing house transactions, postal or telegraphic money orders, or legal tender of the United States of America, or any combination of these;

(6) "commissioner" means the Commissioner of the Department of Natural Resources;

(7) "cooperative agreement" means an agreement or plan of development and operation for the recovery of oil and gas from any pool, field, or like area or any part thereof in

which separate ownership units are independently operated pursuant to the agreement without allocation of production;

(8) "director" means the Director of the Division of Lands or a designee;

(9) "division" means the Division of Lands, Department of Natural Resources;

(10) "filing office" means any place designated by the director as a filing office for applications, payments and filings under 11 AAC 82 - 11 AAC 88;

(11) "gas" means all natural gas, except helium gas, and all hydrocarbons produced at a well not defined herein as oil;

(12) "leasehold location" or "mining leasehold location" means the interests in land subject to a location under AS 38.05.205 before a lease has been issued;

(13) "legal subdivision" means an aliquot part of a section of land according to the public land rectangular survey system, not smaller than one-quarter of one-quarter of one section of land, containing approximately 40 acres; where a section of land contains section lots, "legal subdivision" also means those section lots; "legal subdivision" also means a protracted legal subdivision according to any protracted public land rectangular survey prepared by the division or Bureau of Land Management of the Department of the Interior, and made available to prospective applicants for leases;

(14) "leasehold," "mining lease," or "upland mining lease" means the interests in land subject to a mining lease issued in accordance with AS 38.05.205;

(15) "lessee or permittee of record" means the original lessee or permittee under any lease or permit or, if an assignment has been approved at any time, the latest assignee whose assignment has been approved;

(16) "locatable minerals" means those minerals which, on January 3, 1959, were subject to location under the United States mining laws (30 U.S.C.);

(17) "location" or "mining location" means a location on state-selected land authorized under AS 38.0⁵~~0~~.275, a mining claim made under AS 38.05.195, a leasehold location made under AS 38.05.205 or a prospecting site location made under AS 38.05.245;

(18) "locator" means the initial person to stake or locate a mining location or the current owner of a mining location;

(19) "mineral" means a naturally occurring substance with a characteristic chemical composition expressed by a chemical formula, including oil and gas;

(20) "notification lessee" means a lessee or agent authorized by the lessees to receive notices on behalf of all lessees from the state in connection with a lease;

(21) "offshore" means tide and submerged lands, that is, those lands lying seaward from the line of mean high tide;

(22) "oil" means crude petroleum oil and other hydrocarbons, regardless of gravity, that are produced in liquid form by ordinary production methods, including liquid hydrocarbons known as distillate or condensate recovered by separation from gas other than at a gas processing plant;

(23) "operating agreement" means an agreement giving the operator the right to carry on operations authorized by a lease or leases and to share in production obtained from the leased lands;

(24) "option" means an option to obtain an assignment of or an operating agreement covering a lease or portion of one;

(25) "order" means a determination made by the director or the commissioner in accordance with authority lawfully vested in them, issued in writing, filed in the permanent files of the division, and made available for inspection by the public;

(26) "participating area" means that part of an oil and gas lease unit area approved as being reasonably known to be underlain by hydrocarbons and known or reasonably estimated through use of geological, geophysical, or engineering data to be capable of producing or contributing to production of hydrocarbons in paying quantities;

(27) "person" includes a natural living being, business, or an association of persons;

(28) "pool" means an underground reservoir containing or appearing to contain a common accumulation of oil or gas or both; each zone of a general structure which is completely separated from any other zone in the structure is a pool;

(29) "primary term" means the initial term of an oil and gas lease and any extension of it;

(30) "qualified to do business in Alaska" means holding the state certificates necessary to lawfully conduct business within the state;

(31) "smallest legal subdivision" means one-quarter of one-quarter of one section of land, containing 40 acres more or less, except where a section contains smaller section lots according to the public land rectangular survey or a protracted public land rectangular survey prepared by the division or by the Bureau of Land Management of the Department of the Interior, and made available to prospective applicants for leases, in which case "smallest legal

subdivision" means those smaller section lots; as to unsurveyed land not covered by such a protracted survey, it means a square containing 40 acres, more or less;

(32) "status record" means the basic record maintained by the division to show the status of every tract of land and of leases and applications for leases on them;

(33) "tract" means a parcel offered for competitive lease;

(34) "unit agreement" means an agreement for the recovery of oil and gas from a pool, field or like area, or any part of one, as a single consolidated unit without regard to separate ownerships, and for the allocation of production on a basis as defined in the agreement; "unit agreement" also includes "cooperative agreement" unless the context clearly requires the more restricted meaning;

(35) "unit area" means the land subject to a unit agreement;

(36) "unit operator" means the person, corporation or association designated under a unit agreement to conduct operations in or on a unit as specified in the unit agreement;

(37) "working interest" means the interest held in lands by virtue of a lease under which the owner of the interest is vested with the right to explore for, develop and produce minerals; the right delegated to a unit operator by a unit agreement is not a working interest. (Eff. 9/5/74, Register 51; am 3/27/82, Register 81; am 5/30/85, Register 94; am 5/18/90, Register 114; am 5/22/93, Register 126; am 9/10/98, Register 147, 12 /26 /2019, Register 232)

Authority: AS 38.05.020 AS 38.05.177

MEMORANDUM

State of Alaska Department of Law

To: The Honorable Kevin Meyer
Lieutenant Governor

Date: November 26, 2019

File No.: 2018200747

Tel. No.: 465-3600

From: Susan R. Pollard *SRP*
Chief Assistant Attorney General
and Regulations Attorney
Legislation and Regulations Section

Re: Department of Natural Resources: 11
AAC 04.010 - 88.185: Div. of Oil
and Gas: Oil and Gas Lease

The Department of Law has reviewed the attached regulations of the Department of Natural Resources against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations.

The regulations address the leasing processes for oil and gas leases, primarily to facilitate online oil and gas lease sale processes. The regulations also make technical changes to improve the regulations structure. The commissioner of the Department of Natural Resources has broadly delegated authority to manage state lands, including the development of natural resources like oil and gas. AS 44.37.020(a). Accordingly, the commissioner has broad authority to adopt regulations to implement AS 38.05 (Alaska Land Act). That authority includes authority to adopt regulations related to methods of bidding for use of state land through leasing. AS 38 05.180(k) and (w).

The regulations were adopted by the Department of Natural Resources after the close of the public comment period. Both the public notice and the adoption order state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

We have made some technical corrections to conform the regulations in accordance with AS 44.62.125. The corrections are shown on the attached copy of the regulations.

SRP:srp

cc: Corri A. Feige, Commissioner
Department of Natural Resources

Marta Mueller, Natural Resources Specialist
Department of Natural Resources

Joe Joyner, Regulations Contact
Department of Natural Resources

Jason Hartz, Assistant Attorney General
Department of Law



July 12, 2019

**NOTICE OF PROPOSED CHANGES ON OIL AND GAS LEASING
IN THE REGULATIONS OF THE DEPARTMENT OF NATURAL RESOURCES**

BRIEF DESCRIPTION

The Department of Natural Resources (DNR) proposes to change regulations concerning payment of oil and gas royalties, rents, and bonuses; mineral leasing practice and procedures, including oil and gas leasing procedures. The proposed changes will facilitate online oil and gas lease sales, provide for electronic submissions to DNR, and address miscellaneous administrative matters associated with mineral lease sale and mineral lease administration.

DNR proposes to adopt regulation changes in 11 AAC Ch. 4, Ch. 5, Ch. 82, Ch. 83, and Ch. 88 of the Alaska Administrative Code (AAC), dealing with payment methods, bidding methods, requirements for bid submission, requirements for applications, rental provisions, and definitions regarding mineral leasing, including the following:

- (1) **11 AAC 04.010 Applicability** is proposed to be changed as follows: the proposed amendment will limit the applicability of this chapter to royalty payments.
- (2) **11 AAC 04.020 Designated payor** is proposed to be changed as follows: the proposed amendment will limit the applicability of this chapter to royalty payments.
- (3) **11 AAC 04.030 Timing of payments** is proposed to be changed as follows: the proposed amendment will limit the applicability of this chapter to royalty payments.
- (4) **11 AAC 04.040 Supporting documentation for payments** is proposed to be changed as follows: the proposed amendment will limit the applicability of this chapter to royalty payments.
- (5) **11 ACC 04.050 Methods of payment; payment application** is proposed to be repealed and readopted: the proposed repeal and re-adoption limits the applicability of this chapter to royalty payments.
- (6) **11 AAC 04.060 Refunds and credits** is proposed to be changed as follows: the proposed amendment limits the applicability of this chapter to royalty payments.
- (7) **11 AAC 05.110 Leasable minerals, including coal, phosphates, oil shale, sodium, sulphur, potassium, oil and gas, and geothermal** is proposed to be changed as follows: to amend the fee for a transfer of interest.
- (8) **11 AAC 82.205 Statement of qualifications** is proposed to be changed as follows: the proposed amendment specifies timing of changes to material previously filed with the department.

- (23) **11 AAC 83.111 Rental payments during an appeal or pending application** is proposed to be added as follows: the proposed addition directs payment on leases that otherwise would have expired but are subject to a pending application or appeal.
- (24) **11 AAC 83.400 Applications** is proposed to be changed as follows: the proposed amendment would require three signed copies of the proposed agreement only if necessary.
- (25) **11 AAC 83.520 Applications for storage leases** is proposed to be changed as follows: the proposed amendment would require three signed copies of the proposed form only if necessary.
- (26) **11 AAC 88.105 Applications** is proposed to be changed as follows: the proposed amendment allows the commissioner to accept applications electronically.
- (27) **11 AAC 88.115 Additional information** is proposed to be changed as follows: the proposed amendment allows the commissioner discretion to request additional information to consider an application.
- (28) **11 AAC 88.130 Timely filing** is proposed to be changed as follows: the proposed amendment specifies when a payment or application is timely filed if filed by electronic means.
- (29) **11 AAC 88.135 Means of filing** is proposed to be changed as follows: the proposed amendment provides filings and payments may be made through an electronic system if available.
- (30) **11 AAC 88.140 Notice** is proposed to be changed as follows: the proposed amendment provides notice must be delivered through trackable mail service.
- (31) **11 AAC 88.145 Refunds** is proposed to be change as follows: the proposed amendment provides no refund will be made for less than \$10.00, notwithstanding any other provisions of 11 AAC 82 – 11 AAC 88.
- (32) **11 AAC 88.185 Definitions** is proposed to be repealed and readopted. The proposed repeal and re-adoption changes definitions for cash, gas, oil, participating area, and unit area. The proposed repeal and re-adoption remove definitions for gas well, oil well, unitized land, unitized substances, and Mineral Leasing Act. The proposed repeal and re-adoption add a definition for notification lessee.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Kyle Smith at the Department of Natural Resources, Division of Oil and Gas, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3563. Additionally, DNR will accept comments by facsimile at (907)269-6587 and by electronic mail at dog.leasing@alaska.gov. The comments must be received not later than 4:30 pm Alaska Standard Time on August 9, 2019.

You may submit written questions relevant to the proposed action to Kyle Smith at the Department of Natural Resources, Division of Oil and Gas, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3563. Additionally, DNR will accept written questions by electronic mail at dog.leasing@alaska.gov. The questions must be received at least 10 days before the end of the public comment period. DNR will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System

ADDITIONAL REGULATION NOTICE INFORMATION

(AS 44.62.190(d))

1. Adopting agency: Department of Natural Resources
2. General subject of regulation: Payment methods, bidding methods, requirements for bid submission, requirements for applications, rental provisions, and definitions regarding mineral leasing.
3. Citation of regulation (may be grouped): 11 AAC 04.010; 11 AAC 04.020; 11 AAC 04.030; 11 AAC 04.040; 11 ACC 04.050; 11 AAC 04.060; 11 AAC 05.110; 11 AAC 82.205; 11 AAC 82.400; 11 AAC 82.405; 11 AAC 82.420; 11 AAC 82.423; 11 AAC 82.425; 11 AAC 82.430; 11 AAC 82.435; 11 AAC 82.440; 11 AAC 82.450; 11 AAC 82.465; 11 AAC 82.466; 11 AAC 82.615; 11 AAC 82.650; 11 AAC 83.110; 11 AAC 83.111; 11 AAC 83.400; 11 AAC 83.520; 11 AAC 88.105; 11 AAC 88.115; 11 AAC 88.130; 11 AAC 88.135; 11 AAC 88.140; 11 AAC 88.145; 11 AAC 88.185
4. Department of Law file number, if any: 2018200747
5. Reason for the proposed action:
 - () Compliance with federal law or action (identify): _____
 - () Compliance with new or changed state statute
 - () Compliance with federal or state court decision (identify): _____
 - () Development of program standards
 - (X) Other (identify): Proposed changes facilitate electronic bidding and electronic filing of applications. Proposed changes facilitate updated leasing payment methods. Proposed changes update leasing definitions.
6. Appropriation/Allocation: Office of the Governor/Department of Natural Resources
7. Estimated annual cost to comply with the proposed action to:
 - A private person: \$150 per application for a transfer of interest in an oil and gas or gas only lease or exploration license, or a gas storage lease. A bid service charge to compensate a third-party vendor hosting an online disposal.
 - Another state agency: \$0
 - A municipality: \$0

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, Marta Mueller, Natural Resource Specialist IV, of the Department of Natural Resources,
Division of Oil and Gas, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes on oil and gas leasing in the regulations of the Department of Natural Resources concerning payment of oil and gas royalties, rents, and bonuses, and mineral leasing practice and procedures, including oil and gas leasing procedures has been given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to every person who has filed a request for notice of proposed action with the state agency;
- (3) furnished to appropriate state officials;
- (4) furnished to interested persons;
- (5) furnished to the Department of Law, along with a copy of the proposed regulation;
- (6) furnished electronically to incumbent State of Alaska legislators;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1).

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (2), (4) and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

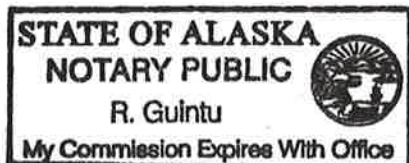
Date: August 2, 2019



Marta Mueller, Natural Resource Specialist IV

Subscribed and sworn to before me at ANCHORAGE, ALASKA on
AUGUST 2, 2019

(date)





Notary Public in and for the State of Alaska



THE STATE
of ALASKA

GOVERNOR MICHAEL J. DUNLEAVY

Department of Natural Resources

DIVISION OF OIL & GAS

550 West 7th Avenue, Suite 1100

Anchorage, AK 99501-3563

Main: 907.269-8800

Fax: 907-269-8939

July 29, 2019

SUPPLEMENTAL NOTICE OF PROPOSED CHANGES ON OIL AND GAS LEASING IN THE REGULATIONS OF THE DEPARTMENT OF NATURAL RESOURCES

BRIEF DESCRIPTION

The Department of Natural Resources (DNR) proposes to change regulations concerning payment of oil and gas royalties, rents, and bonuses; mineral leasing practice and procedures, including oil and gas leasing procedures. The proposed changes will facilitate online oil and gas lease sales, provide for electronic submissions to DNR, and address miscellaneous administrative matters associated with mineral lease sale and mineral lease administration. This is a SUPPLEMENTAL NOTICE incorporating the contents of the original public notice of July 12, 2019. This SUPPLEMENTAL NOTICE is being issued so DNR may extend the public comment period on the proposed regulations.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Kyle Smith at the Department of Natural Resources, Division of Oil and Gas, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3563. Additionally, DNR will accept comments by facsimile at (907)269-6587 and by electronic mail at dog.leasing@alaska.gov. The comments must be received by the deadline for public comment, which is extended by this SUPPLEMENTAL NOTICE to be not later than 4:30 pm Alaska Standard Time on August 16, 2019.

You may submit written questions relevant to the proposed action to Kyle Smith at the Department of Natural Resources, Division of Oil and Gas, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3563. Additionally, DNR will accept written questions by electronic mail at dog.leasing@alaska.gov. The questions must be received at least 10 days before the end of the public comment period. DNR will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System (<https://aws.state.ak.us/OnlinePublicNotices/>) and the DNR Division of Oil and Gas (<http://dog.dnr.alaska.gov>) websites.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Kyle Smith by electronic mail at dog.leasing@alaska.gov or (907)269-8800 not later than August 9, 2019, to ensure that any necessary accommodation can be provided.

An electronic copy of the proposed regulation changes is available on the Alaska Online Public

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, Marta Mueller, Natural Resource Specialist IV, of the Department of Natural Resources,
Division of Oil and Gas, being sworn, state the following:

As required by AS 44.62.190, notice of the extended comment period for proposed adoption of changes on oil and gas leasing in the regulations of the Department of Natural Resources concerning payment of oil and gas royalties, rents, and bonuses, and mineral leasing practice and procedures, including oil and gas leasing procedures has been given by being

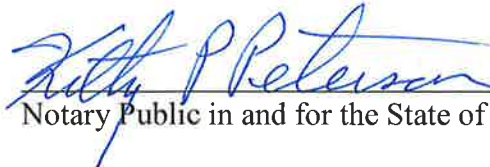
- (1) published in a newspaper or trade publication;
- (2) furnished to every person who has filed a request for notice of proposed action with the state agency;
- (3) furnished to appropriate state officials;
- (4) furnished to interested persons;
- (5) furnished to the Department of Law, along with a copy of the proposed regulation;
- (6) furnished electronically to incumbent State of Alaska legislators;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1).

Date: August 5, 2019

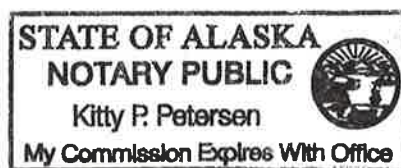


Marta Mueller, Natural Resource Specialist IV

Subscribed and sworn to before me at Anchorage, Alaska on
August 5, 2019
(date)



Notary Public in and for the State of Alaska



AFFIDAVIT OF PROVIDING WRITTEN QUESTIONS AND AGENCY RESPONSES
REGARDING PROPOSED REGULATION

I, Marta Mueller, Natural Resource Specialist IV, of the Department of Natural Resources, Division of Oil and Gas (Division), being sworn, state the following:

As required by AS 44.62.213(b), the Division provided responses to written questions received during the comment period for proposed adoption of changes on oil and gas leasing in the regulations of the Department of Natural Resources concerning payment of oil and gas royalties, rents, and bonuses, and mineral leasing practice and procedures, including oil and gas leasing procedures. The written questions and agency responses were made available to the public by being

- (1) furnished to the person submitting the question;
- (2) furnished to appropriate state officials;
- (3) furnished to the Department of Law;
- (4) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1); and
- (5) posted on the agency website.

Date: August 20, 2019

Marta Mueller

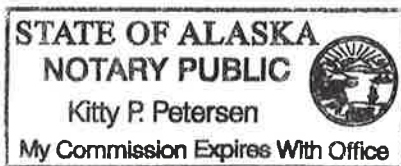
Marta Mueller, Natural Resource Specialist IV

Subscribed and sworn to before me at Anchorage, Alaska on

August 20, 2019.
(date)

Kitty P. Petersen

Notary Public in and for the State of Alaska



AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

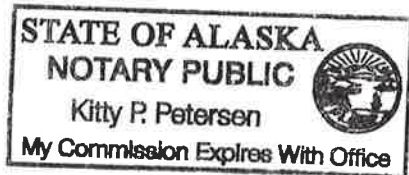
I, Marta Mueller, Natural Resource Specialist IV for the Department of Natural Resources, being duly sworn, state the following:

In compliance with AS 44.62.215, the Department of Natural Resources has kept a record of its use or rejection of factual or other substantive information that was submitted in writing as public comment and that was relevant to the accuracy, coverage, or other aspect of the regulations of the Department of Natural Resources concerning payment of oil and gas royalties, rents, and bonuses, and mineral leasing practice and procedures, including oil and gas leasing procedures.

Date: September 11, 2019

Marta Mueller
Marta Mueller, Natural Resource Specialist IV

Subscribed and sworn to before me at Anchorage, Alaska on
September 11, 2019
(date)



Kitty Petersen
Notary Public in and for the State of Alaska

ler the Division of Corporations, the Division keeps a list of

ANCHORAGE DAILY NEWS

AFFIDAVIT OF PUBLICATION

Account #: 268413 Order #: W0010986 Cost: \$234.08

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Leilisi Misa
being first duly sworn on oath
deposes and says that she is
a representative of the
Anchorage Daily News, a
daily newspaper. That said
newspaper has been approved
by the Third Judicial Court,
Anchorage, Alaska, and it now
and has been published in the
English language continually as a
daily newspaper in Anchorage,
Alaska, and it is now and during
all said time was printed in an
office maintained at the aforesaid
place of publication of said
newspaper. That the annexed is
a copy of an advertisement as it
was published in regular issues
(and not in supplemental form)
of said newspaper April 3

August 8, 11/ 2019

and that such newspaper was
regularly distributed to its
subscribers during all of said
period. That the full amount of
the fee charged for the foregoing
publication is not in excess of
the rate charged private individuals.

Signed _____

Subscribed and sworn to before
me this 17 day of Sept.
20 19

Notary Public in and for
The State of Alaska.
Third Division
Anchorage, Alaska
MY COMMISSION EXPIRES

7/14/2020

STATE OF ALASKA
NOTARY
PUBLIC
Jada L. Nowling

This is a SUPPLEMENTAL NOTICE incorporating the contents of the original public notice of July 12, 2019 to extend the public comment period on the Department of Natural Resources (DNR) proposed changes to regulations concerning payment of oil and gas royalties, rents, and bonuses; mineral leasing practice and procedures, including oil and gas leasing procedures.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Kyle Smith at the DNR, Division of Oil and Gas, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3563. Additionally, DNR will accept comments by facsimile at (907)269-6587 and by electronic mail at dng.leasing@alaska.gov. The comments must be received by the deadline for public comment, which is extended by this SUPPLEMENTAL NOTICE to be not later than 4:30 pm Alaska Standard Time on August 16, 2019.

An electronic copy of the proposed regulation changes is available on the Alaska Online Public Notice system at <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=194997> and the DNR Division of Oil and Gas website. A copy of the proposed regulation changes may be viewed at the agency's office at the DNR, Division of Oil and Gas, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska.
PUB: 8/4, 11/2019 20LE-10-007

20LE-10-003
Published: July 14, 2019

ANCHORAGE DAILY NEWS

AFFIDAVIT OF PUBLICATION

Account #: 268413

Order #: W0010986

Cost: \$234.08

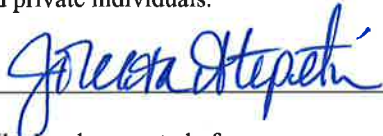
STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Joleesa Stepetin being first duly sworn on oath deposes and says that she is a representative of the Anchorage Daily News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said new

08/04/2019, 08/11/2019

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed



Subscribed and sworn to before me
this 12th day of August 2019.

Notary Public in and for
The State of Alaska.
Third Division
Anchorage, Alaska

MY COMMISSION EXPIRES

7/14/2020

This is a SUPPLEMENTAL NOTICE incorporating the contents of the original public notice of July 12, 2019 to extend the public comment period on the Department of Natural Resources (DNR) proposed changes to regulations concerning payment of oil and gas royalties, rents, and bonuses; mineral leasing practice and procedures, including oil and gas leasing procedures.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Kyle Smith at the DNR, Division of Oil and Gas, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3563. Additionally, DNR will accept comments by facsimile at (907)269-6587 and by electronic mail at dog.leasing@alaska.gov. The comments must be received by the deadline for public comment, which is extended by this SUPPLEMENTAL NOTICE to be not later than 4:30 pm Alaska Standard Time on August 16, 2019.

An electronic copy of the proposed regulation changes is available on the Alaska Online Public Notice System at <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=194997> and the DNR Division of Oil and Gas websites. A copy of the proposed regulation changes may be viewed at the agency's office at the DNR, Division of Oil and Gas, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska. PUB: 8/4, 11/2019 20LE-10-007

STATE OF ALASKA
NOTARY
PUBLIC
Jada L. Nowling