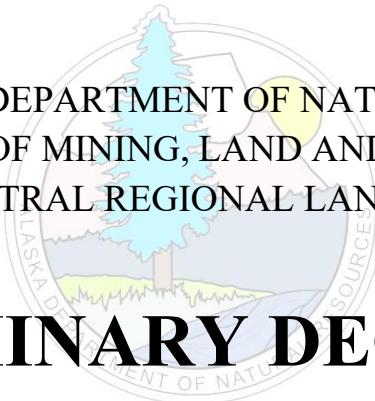


STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
SOUTHCENTRAL REGIONAL LAND OFFICE



PRELIMINARY DECISION

ADLs 234648, 234651, 234652, and 234653
Last Frontier Adventures, LLC
Application for Lease
AS 38.05.070(b)

This Preliminary Decision (PD) is the initial determination on four related proposed disposals of interest in state land and is subject to comments received during the public notice period. The public is invited to comment on this PD. The deadline for commenting is **11:59 PM February 20, 2026**. Please see the Comments section of this decision for details on how and where to send comments for consideration. Only the applicant and those who comment have the right to appeal the Final Finding and Decision (FFD).

Proposed Action:

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Land Office (SCRO) has received a request from Last Frontier Adventures, LLC (LFA) to lease four sites with a total of 1.25 acres of land, more or less, for 10 years to support a commercial recreation guide service located approximately 30 miles southeast of Talkeetna, Alaska. The locations of the project areas are further described below:

- ADL 234648/Hut #1: Within the SW1/4 of the NW1/4 of Section 14, Township 24 North, Range 1 West, Seward Meridian; consisting of 0.22 acres, more or less;
- ADL 234651/Hut #4: Within the SE1/4 of the SE1/4 of Section 10, Township 24 North, Range 1 East, Seward Meridian; consisting of 0.31 acres, more or less;
- ADL 234652/Hut #2: Within the NE1/4 of the SE1/4 of Section 3, Township 23 North, Range 2 East, Seward Meridian; consisting of 0.33 acres, more or less; and
- ADL 234653/Hut #3: Within the SW1/4 of the SE1/4 of Section 25, Township 23 North, Range 1 West, Seward Meridian; consisting of 0.39 acres, more or less.

LFA is proposing to use these sites for the construction, operation, and maintenance of four remote cabins/huts with pit privies in support of a commercial recreation experience for clients to hike from hut to hut in the remote Talkeetna Mountains.

SCRO is considering the issuance of four separate 10-year negotiated, non-competitive land leases to LFA for the construction, operation, and maintenance of a series of four remote cabins/huts, each with a pit privy in support of their commercial recreation business.

Scope of Review:

The scope of this decision is to determine if it is in the State's best interest to issue ADLs 234648, 234651, 234652, and 234653.

Figure 1: Overview Map of Project Area

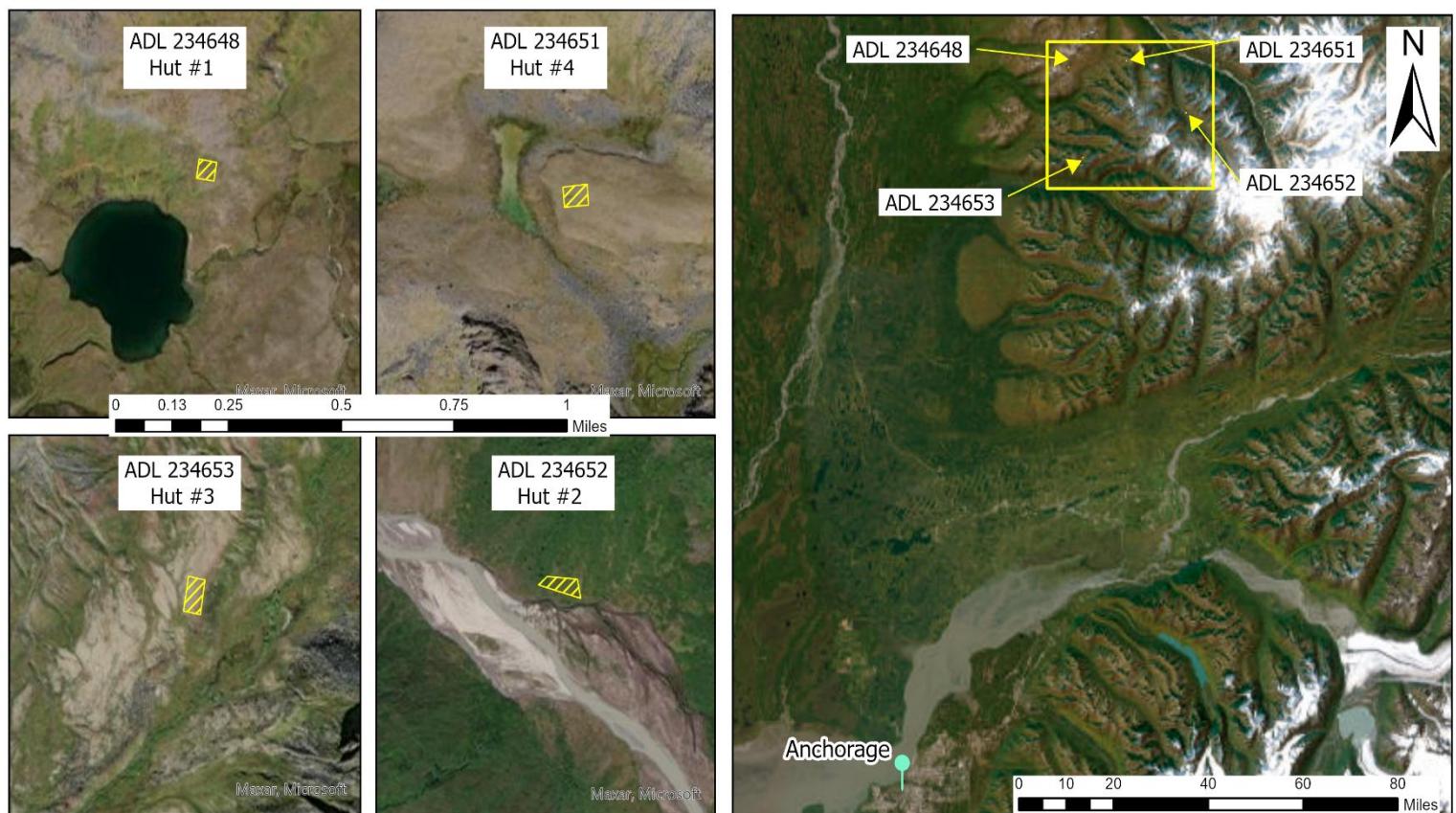


Figure 1: LFA's proposed lease locations for four remote commercial recreation cabins/huts, shaded in yellow

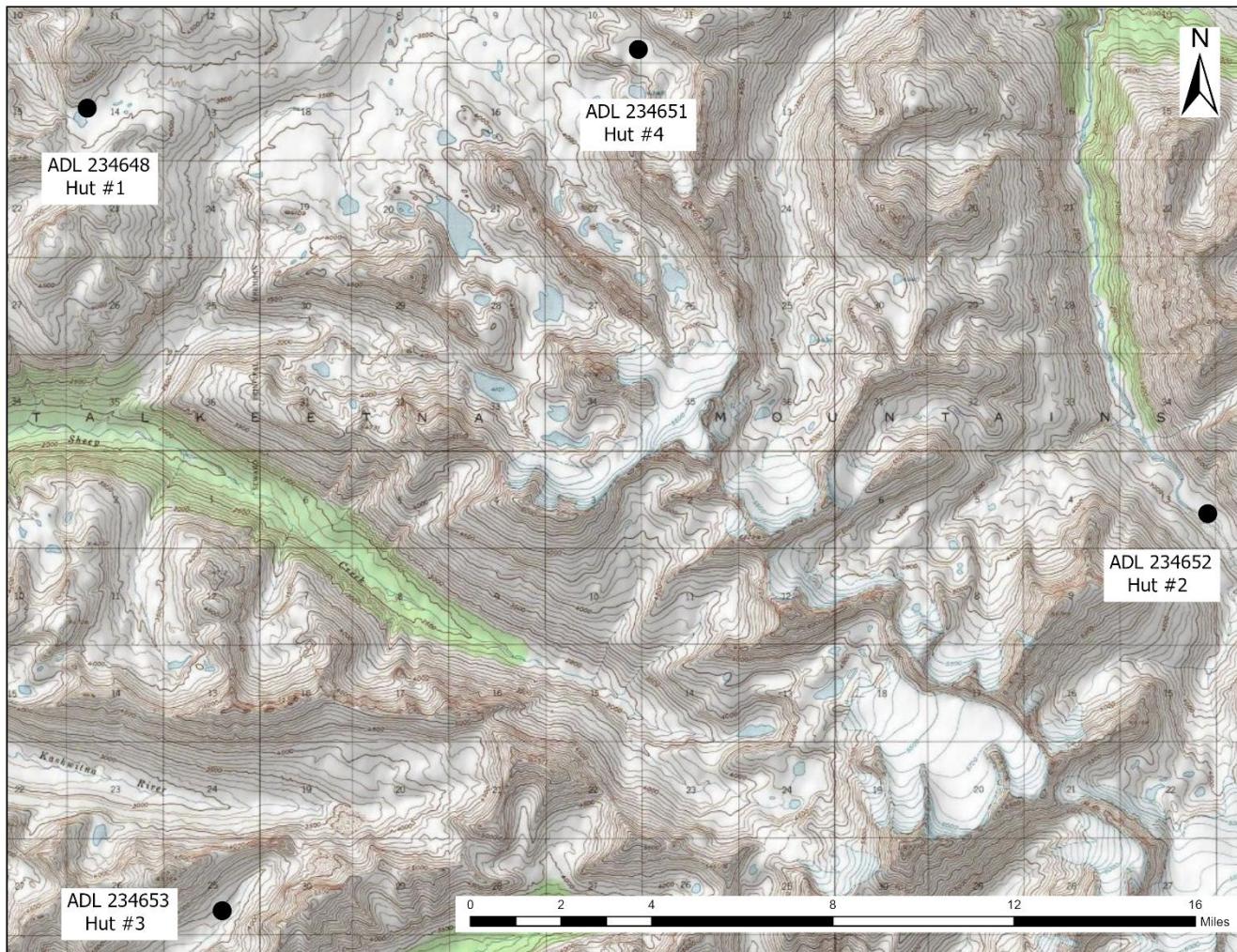


Figure 2: LFA's proposed lease locations for four remote commercial recreation cabins/huts, pinpointed in black

Authority:

This lease application is being adjudicated pursuant to AS 38.05.035(b)(1) and AS 38.05.035(e) Powers and Duties of the Director; AS 38.05.070(b) Generally; and AS 38.05.945 Notice.

The authority to execute the PD, FFD, and the leases has been delegated to the Regional Managers of DMLW.

Administrative Record:

Case files for ADLs 234648, 234651, 234652, and 234653 constitute the administrative records for LFA's application for the four leases.

The administrative record for the proposed action consists of the Constitution of the State of Alaska, the Alaska Land Act as amended, applicable statutes and regulations referenced herein, the 2011 Susitna Matanuska Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADLs 234648, 234651, 234652, and 234653.

Legal Description, Location, and Geographical Features:

The State land where the proposed leases are located is described as follows:

- **Legal description:**
 - ADL 234648: SW1/4 NW1/4 of Section 14, Township 24 North, Range 1 West, Seward Meridian;
 - ADL 234651: SE1/4 SE1/4 of Section 10, Township 24 North, Range 1 East, Seward Meridian;
 - ADL 234652: NE1/4 SE1/4 of Section 3, Township 23 North, Range 2 East, Seward Meridian; and
 - ADL 234653: SW1/4 SE1/4 of Section 25, Township 23 North, Range 1 West, Seward Meridian.
- **Geographical location:** Approximately 30 miles southeast of Talkeetna, Alaska, in the Talkeetna Mountains.
- **Approximate Lat/Long:**
 - ADL 234648: 62.17038, -149.4144
 - ADL 234651: 62.17896, -149.23882
 - ADL 234652: 62.1100, -149.0566
 - ADL 234653: 62.0502, -149.3716
- **Area geographical features:** The proposed leases lie within the Talkeetna Mountains on sloping terrain, consisting of bedrock with overlying glacial till and/or alluvium in varying thicknesses. Vegetation varies across the proposed leaseholds from limited alpine tundra to scattered shrubs and evergreen trees.
- **Existing surveys:** None
- **Municipality/Borough:** Matanuska-Susitna Borough
- **Native Corporations/Federally Recognized Tribes:** Cook Inlet Region, Inc. (CIRI)
- **Size:**
 - ADL 234648: 0.22 acres, more or less
 - ADL 234651: 0.31 acres, more or less
 - ADL 234652: 0.33 acres, more or less
 - ADL 234653: 0.39 acres, more or less

Title:

SCRO requested four separate title reports from DMLW's Realty Services Section on April 2, 2025, which have not been received at the time of this decision. Should the title report note any major changes, they will be addressed in the FFD.

Visitor Day Use Fee:

All commercial recreation authorizations are subject to a \$4.00/day "Visitor Day" fee under 11 AAC 96.250(18), for each client using state land. This fee is collected once a year and will be due on the same day as the annual fee.

Third Party Interests:

No third-party interests are known as of the publication of this document.

Classification and Planning:

The project area is subject to the 2011 Susitna Matanuska Area Plan (SMAP), Talkeetna Mountains Region, Unit # T-02 (map number 3-5). The land use designations for the proposed leases are Habitat, which converts to the land use classification of Wildlife Habitat Land, and Public Recreation-Dispersed, which converts to the land use classification of Public Recreation Land. The land in this unit is to be retained in state ownership.

In Chapter 2 of the SMAP, the *Recreation and Scenic Resources* (P. 2-30 to 2-32) section of the plan states: "Lodges or other private commercial facilities and operations designed to be run as or to support private commercial recreation facilities may be authorized if the facility or operation fulfills the conditions outlined in this section, conforms to the requirements of AS 38.05.850, AS 38.05.070 and .075 or AS 38.05.073, or a management plan is prepared in accordance with AS 41.21.302(c) authorizing the facility. If so authorized, the facility or operation should be sited, constructed, and operated in a manner that creates the least conflict with natural values and existing uses of the area. The commercial facility and the use it generates should avoid significant adverse impacts on fish and wildlife habitat and existing uses of an area."

The authorization of four remote cabins/huts for commercial recreation use is consistent with the management intent, designations, and land use classification stated in the SMAP.

Access:

LFA plans to access the four proposed leaseholds via small aircraft.

Agency Review:

An agency review was conducted on April 8, 2025. The deadline for agency comments was April 28, 2025. At the request of an involved agency, that deadline for agency comments was extended by one week to May 5, 2025.

The following agencies were included in the review:

- DNR Division of Agriculture
- DNR Division of Forestry & Fire Protection
- DNR Division of Geological & Geophysical Surveys
- DNR Division of Oil and Gas / State Pipeline Coordinator Service
- DNR Division of Parks and Outdoor Recreation / Office of History and Archaeology – State Historic Preservation Office
- DNR Natural Resource Conservation and Development Board
- Department of Commerce, Community and Economic Development
- Department of Environmental Conservation
- Department of Fish & Game
- Department of Transportation & Public Facilities
- U.S. Army Corps of Engineers
- U.S. Bureau of Land Management
- U.S. Coast Guard
- U.S. Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S. Forest Service
- U.S. National Park Service
- U.S. Natural Resources Conservation Service
- U.S. National Oceanic and Atmospheric Administration - National Marine Fisheries Service

Information and comments received from sections within DMLW prior to and during the initial agency review have been considered and included in the preparation of this preliminary decision. A total of three agency comments were received during the initial review period and are summarized below:

Comment: On May 5, 2025, the Division of Parks and Outdoor Recreation, Office of History and Archaeology (OHA), responded:

“OHA has reviewed the subject project (received April 8, 2025) for conflicts with cultural resources pursuant to Section 41.35.070 of the Alaska Historic Preservation Act. Following our review, we offer the following comments:

Upon review of the Alaska Heritage Resources Survey (AHRS) database, there are no known cultural resource sites within or adjacent to the proposed project area that may be affected by proposed project activities. However, previously unreported resources may be located within the project area as only a very small portion of the state has been surveyed for cultural resources. We believe that a finding of no adverse effect is appropriate for this project provided the following conditions listed are met.

Our office also requests that during the construction of Hut #2, the permittee does not disturb any existing rock alignments or cairns as these are considered cultural resources. If rock alignments or cairns are discovered, please notify our office. In the event of closure/reclamation of Hut #2 please do not stack any rocks and try to distribute these rocks in a natural way consistent with the environment.”

OHA recommends that the lessee should review the Alaska Inland Cultural Resources Job Aid to ensure clients are aware of potential cultural resources and understand that unlawful looting or destruction of these resources is subject to penalties under AS 41.35.215.

Should unidentified archaeological or paleontological resources be discovered in the course of the project; work must be interrupted until OHA has been consulted regarding the significance of the find and appropriate actions to be taken.

Response: SCRO acknowledges the comment and informs the applicant that they shall adhere to the recommendations provided by OHA, inform OHA of any archaeological or paleontological discoveries, and leave any existing rock alignments or cairns undisturbed.

Comment: On May 5, 2025, the Alaska Department of Fish and Game (ADF&G) responded:

“ADF&G has no objection to the issuance of this lease; however, we have the following comments and recommendations:

1. Avoiding Conflict with Wildlife:

- a. **Wildlife Safety & Attractants:** All fuel, trash, food, and other potential wildlife attractants (including petroleum-based products) must be stored properly. Using bear-

resistant containers, electric fences and maintaining a clean camp will help reduce the likelihood of conflicts with bears and other wildlife.

- b. **Bear Safety:** Guidance on staying safe in bear country and avoiding negative interactions, including the use of bear-resistant containers and electric fence, can be found on the ADF&G website:
<http://www.adfg.alaska.gov/index.cfm?adfg=livingwithbears.main>
- c. **Reporting Wildlife Interactions:** Any human-wildlife conflicts should be reported to ADF&G's Division of Wildlife Conservation:
<https://www.adfg.alaska.gov/index.cfm?adfg=reportwildlifeencounter.main>.
- d. **Gray Water & Wastewater Management:** Gray water can attract wildlife, including bears, increasing the risk of encounters. Proper management is essential to keep wastewater away from camps and to ensure it is disposed of according to DNR stipulations for remote camps.
- e. **Defense of Life or Property (DLP):** Shooting bears that access camp supplies is not considered a Defense of Life or Property (DLP) action unless all attractants have been properly secured.

2. Dall sheep are highly sensitive to disturbances. Aircraft should maintain a minimum distance of 1,500 meters from all observed Dall sheep, as well as other wildlife (e.g., bears, wolverines), when it is safe to do so for navigation.

3. Activities at the cabins should not impede or limit public access to the area.”

Response: SCRO acknowledges the comment and informs the applicant that they shall adhere to the guidelines and recommendations provided by ADF&G regarding wildlife encounters, conflicts, and interferences.

Comment: On May 5, 2025, the Division of Geological and Geophysical Surveys (DGGS) responded:

“Hydrology and Surficial Geology, Geologic Hazards

The proposed lease review areas are within the Central Talkeetna Mountains Physiographic Province, consisting of rugged radial ridges with steep-walled U-shaped valleys. The physiographic province is characterized by glacially sculpted topography with cirque and rock glaciers (Wahrhaftig, 1965).

The four proposed cabin sites are mapped as bedrock (Csejtey and others, 1978). With the greater region surficial deposits poorly mapped, categorized as undifferentiated surface deposits consisting of glacial and alluvial materials, chiefly unconsolidated, gravel, sand, and clay.

The cabin sites generally consist of colluvial deposits of variable thickness. Some of the colluvium could be modified glacial drift, thus poorly sorted. Slope processes could be problematic, especially on steep slopes with potential for debris flow.

Permafrost in the review area is discontinuous, underlying 50-90 percent of the ground surface (Jorgenson and others, 2008). Where soils are granular, permafrost may have low ice content but ice content may be high in areas of greater silt content. Solifluction could be problematic, especially on steep slopes and in places where thawing water can mobilize soils.

Site ADL 234648 is near the cirque headwall of a north-facing valley in a depression that has hummocky terrain and a central lake common to glacial cirques in the area. Preliminary imagery examination indicates this area consists of colluvium thinly covering bedrock and likely includes some modified glacial drift. The valley walls appear to be steep, with talus cones extending to the valley floor. Rock glaciers are slowly flowing toward the valley floor.

Site ADL 234653 is in the upper reaches of a southwest-facing U-shaped valley. Preliminary evaluation of imagery shows slopes modified by solifluction, perhaps modifying poorly sorted glacial drift. These deposits appear to be thinly covering bedrock. As with the other sites, rock glaciers and talus cones extend to the valley floor.

Site ADL 234651 is generally on an east-west ridge. A preliminary examination of the imagery indicates that this area is likely bedrock with a thin colluvium cover. Rock glaciers and talus are present.

A preliminary examination of imagery indicates that site ADL 234652 is on the lower reaches of a colluvial fan. The area will likely consist of a poorly sorted mixture of unconsolidated material. A northward-flowing stream could be eroding into the fan base, although it does not appear to be an imminent hazard. Alluvial fans are common along this river, from melting snow and ice draining the surrounding mountains. Numerous rock glaciers and frozen debris lobes occupy the higher elevations and are slowly flowing downslope toward the valley.

The area is about 50–75 miles north-northwest of the Castle Mountain fault (Koehler and others, 2012). Thus, there are potential seismic hazards, including ground shaking and slope instability, especially given some of the steep slopes in the region. The region's overall seismic hazard potential is moderate (Shumway, 2019). Standard best building practices should be used to accommodate the regional seismic hazard.

This area has been subject to ash fall from erupting Cook Inlet and Alaska Peninsula volcanoes. Past ash events include Spurr 1992, Redoubt 1989 and 2009, Augustine 1976, Novarupta (Katmai) 1912, and multiple older tephras (Mulliken and others, 2018; Worden and others, 2018).

Radon, a naturally occurring cancer-causing radioactive gas, is modeled to be high in this area. The Environmental Protection Agency's (EPA) Action Level for radon is 4 pCi/L; the EPA suggests homeowners consider radon mitigation for test results of 2–4 pCi/L. Any home, school, or building can have high levels of radon and should be tested.

There is little potential for construction material resources, and from a surficial geology perspective, there is no compelling reason to oppose this lease.”

Response: SCRO acknowledges the comment and will ensure the applicant is informed of any geological or geophysical characteristics that could impact construction, maintenance, or use of the area of interest.

Additional Agency Review:

An updated application and development plan was submitted to DMLW on July 16, 2025, amending the locations and acreages of the lease areas slightly due to customer preference. Due to the changes, an additional agency review was conducted on August 19, 2025, to inform reviewers of the changes and provide additional opportunities to comment. The deadline for agency comments was September 8, 2025.

The following agencies were included in the review:

- DNR Division of Agriculture
- DNR Division of Forestry & Fire Protection
- DNR Division of Geological & Geophysical Surveys
- DNR Division of Oil and Gas / State Pipeline Coordinator Service
- DNR Division of Parks and Outdoor Recreation / Office of History and Archaeology – State Historic Preservation Office
- DNR Natural Resource Conservation and Development Board
- Department of Commerce, Community and Economic Development
- Department of Environmental Conservation
- Department of Fish & Game
- Department of Transportation & Public Facilities
- U.S. Army Corps of Engineers
- U.S. Bureau of Land Management

- U.S. Coast Guard
- U.S. Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S. Forest Service
- U.S. National Park Service
- U.S. Natural Resources Conservation Service
- U.S. National Oceanic and Atmospheric Administration - National Marine Fisheries Service

Information and comments received from sections within DMLW prior to and during a second agency review have been considered and included in the preparation of this preliminary decision. One comment was received during the additional agency review period, and is summarized below:

Comment: On September 8, 2025, ADF&G responded:

“ADF&G has no objection to the modification of the lease terms; however, we have the following comments and recommendations:

1. Dall sheep are highly sensitive to disturbances.
 - a. Aircraft should:
 - i. Maintain a minimum distance of 1,500 meters from all observed Dall sheep, as well as other wildlife (e.g., bears, wolverines), when it is safe to do so for navigation. Be especially vigilant during the lambing season (May 15 to June 15).
 - b. In winter, sheep may be difficult to detect against snow-covered terrain. When safe, pilots should follow predictable or preferred flight paths to minimize unintended disturbances.
2. Activities at the cabins should not impede or limit public access to the area.
3. Avoiding Conflict with Wildlife:
 - a. **Wildlife Safety & Attractants:** All fuel, trash, food, fish waste, gray water, and other potential wildlife attractants (including petroleum-based products) must be securely stored in bear-resistant containers. These containers should be made of durable materials such as metal or hard-sided plastic and have tight-fitting lids with secure latches. **Only containers specifically designed and approved for bear resistance should be used.** Where feasible, electric fencing should also be installed around food and waste storage areas. Camps must be kept clean at all times to minimize odors and food sources, and none may be left unattended overnight. Failure to properly secure

attractants as described may be considered negligent and unlawful feeding of wildlife, subject to enforcement under applicable state regulations.

- b. **Bear Safety:** Guidance on staying safe in bear country and avoiding negative interactions, including the use of bear-resistant containers and electric fences, is available on the ADF&G website:
<http://www.adfg.alaska.gov/index.cfm?adfg=livingwithbears.main>
- c. **Reporting Wildlife Interactions:** Any human-wildlife conflicts should be reported to ADF&G's Division of Wildlife Conservation:
<https://www.adfg.alaska.gov/index.cfm?adfg=reportwildlifeencounter.main>
- d. **Disposing of Fish Remains:**
 - i. If cleaning fish on-site, chop remains into small pieces and discard them in fast-moving water.
 - ii. If processing fish elsewhere, dispose of waste at a waste transfer station or landfill (if permitted), or freeze it to eliminate odors and place it out with the trash only on pickup day (not the night before).
 - iii. Do not dispose of waste in slow-moving or still water, as it can attract wildlife.
 - iv. Use bear-resistant containers and follow local waste disposal guidelines.
- e. **Gray Water & Wastewater Management:** Dispose of gray water away from any waterbody to protect fish habitats. Gray water can attract wildlife, including bears, increasing the risk of encounters. Proper management is essential to keep wastewater away from camps and ensure it is disposed of according to DNR stipulations for remote camps.
- f. **Defense of Life or Property (DLP):** Shooting bears that access camp supplies does not qualify as a Defense of Life or Property (DLP) action unless all attractants were properly secured.
- g. **Feeding Wildlife:** Feeding wildlife is illegal in Alaska and poses serious safety risks. Doing so to get pictures or for any other reason is strictly prohibited. It can lead to aggressive animal behavior and often results in the animal being killed.
- h. **Responsible Wildlife Viewing:** For guidance on responsible wildlife viewing, see ADF&G's Wildlife Viewing Ethics page:
<https://www.adfg.alaska.gov/index.cfm?adfg=viewing.ethics>"

Response: SCRO acknowledges the comment and informs the applicant that they shall adhere to the guidelines and recommendations provided by ADF&G regarding wildlife best practices, encounters, conflicts, and interferences.

Lease Discussion:

With the proposed leaseholds, LFA intends to provide a commercial recreation experience for clients to hike from hut to hut in the remote wilderness of the Talkeetna Mountains. Clients will be dropped off at a hut via bush plane, provided instructions for locating and navigating to subsequent huts, and picked up by bush plane after several days. Trips will be primarily unguided but may have the option to be guided. Clients will be able to choose their own route/path between huts to keep each trip original and prevent an established path from being developed. Clients will retain the option to be picked up at their current hut location if they decide not to venture to another hut.

LFA intends to construct a cabin/hut and associated pit privy at each leasehold. Hut construction consists of a concrete block foundation, with galvanized steel runners, and wood floors. Huts #1 or #4 will have walls and a fireplace constructed of locally sourced stone and rock, not to exceed 18 cubic yards per hut. The remaining cabins/huts construction will consist of lightweight steel studs, metal skin/panels on the exterior, and interiors lined with wood. Each cabin/hut will be approximately 10 feet by 14 feet and can accommodate up to 4 people. The huts will be used by approximately 3 people per week.

The cabins/huts will be dry and without power. Heat will be supplied by LFA with small propane heaters fueled by 20-pound propane tanks. Wood for the fireplaces in cabins/huts #1 and #4 will be supplied by the lessee.

Each pit privy will be approximately 3 feet by 4 feet and be constructed according to the Department of Environmental Conservation (DEC) requirements.

LFA will conduct routine trips for maintenance as needed and to ensure leaseholds and associated facilities remain clean, furnished, and in good repair. Waste and trash will be removed regularly. Huts will be available year-round as weather and conditions allow.

Two alternatives were considered:

- Permit: This option does not provide an interest in the land as a lease does, is limited to a 5-year term, and does not allow for permanent structures such as the cabins/huts.
- Long-term lease: This option has additional requirements and substantial expenses including survey and appraisal. In addition, a long-term lease does not provide as much flexibility for the State to reassess environmental impacts.

Given that LFA's commercial recreation activity meets the requirements of AS 38.05.070(b), SCRO is proposing to authorize four 10-year negotiated leases. Issuance of four 10-year leases is

in the State's best interest as it provides security for the lessee, flexibility for the State to adjust to changing environmental conditions and enables economic development through remote commercial recreation opportunities in the Talkeetna Mountains.

The proposed leases will be subject to the terms of SCRO's standard lease document (available for review upon request), and any stipulations based, in part, upon the following considerations.

Development Plan:

The Development Plan (DP) attached to this decision (Attachment A) and submitted December 14, 2025, is under consideration by SCRO. Should the proposed leases be granted, it is anticipated that the DP will need to be updated throughout the life of the leases as activities and/or infrastructure are added or subtracted. All updates must be approved, in writing, by SCRO before any construction, deconstruction, replacement of infrastructure, or change in activity. SCRO reserves the right to require additional agency review and/or public notice for changes that are deemed by SCRO to be beyond the scope of this decision.

Hazardous Materials and Potential Contaminants:

LFA proposes to utilize 20-pound / 5-gallon propane tanks stored at each location to provide heat to the cabins/huts. Pit privies at each leasehold will be constructed in accordance with requirements set forth by DEC. All trash and debris will be carried and/or flown out.

The use and storage of all hazardous substances must be done in accordance with existing federal, state, and local laws. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the leaseholds and disposed of in accordance with state and federal law.

Lease Performance Guaranty (bonding):

In accordance with AS 38.05.035 and AS 38.05.860, LFA will be required to submit a performance guaranty for each leasehold.

- **\$2,000.00 Performance Bond:** This bond will remain in place for the life of each proposed lease. The bond amount is based upon the level of development, amounts of hazardous material and/or substances on site, and the perceived liability to the State. This bond will be used to ensure the applicant's compliance with the terms and conditions of the leases issued for their project. This bond amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments, assignments, reappraisals, changes in the DP, changes in the activities conducted, or changes in the performance of operations conducted on the

authorized premises, and as a result of any violations to one or more of the authorizations associated with this project.

- **Reclamation Bond:** SCRO reserves the right to require a reclamation bond due to noncompliance issues during the term of the leases or near the end of the life of the project.

Insurance:

LFA will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a “NAMED” insured party. LFA will be responsible for maintaining such insurance throughout the term of the leases.

Survey:

In accordance with AS 38.04.045, these short-term land leases do not require a survey. However, the State of Alaska reserves the right to require surveys in the future, should the need arise due to changes in statutes or increased use of the areas. The applicant has submitted GPS coordinate points, as required, for the proposed leaseholds.

Compensation and Appraisal:

As this application is for four short-term commercial recreation leases, each of which consists of 0.33-acres, more or less, that are remote, with no available public utilities, and no apparent competition for the site, the proposed leases qualify under DMLW’s Fee Schedule (2325-20), which sets the annual fee at **\$1,200.00** for each lease. As the Fee Schedule satisfies the requirements of AS 38.05.840, no appraisals will be required from the applicant. Furthermore, in accordance with AS 38.05.105, the proposed leases will be subject to reappraisal at five-year intervals after the issuance of the proposed authorizations.

If the applicant does not agree with the fee schedule amount of \$1,200.00, fair market value determinations can be obtained by the applicant. Fair market value is determined by obtaining DNR approved appraisals of the leases. If appraisals are conducted to determine fair market value of the leaseholds, the applicant will be required to pay the appraised amounts, and the \$1,200.00 annual fee will no longer be an option. Appraisal costs will be borne by the applicant. Each parcel may need to have an approved Alaska State Land Survey to accomplish a respective appraisal. If surveys are required, the costs will be incurred by the applicant.

Subleasing:

Subleasing is permissible through AS 38.05.095, if the proposed leases are approved. A sublease is defined as improvements not owned by the lessee that are located within a leasehold on the land or located on structures owned by the lessee. Any sublease pertaining to the proposed leases

includes but is not limited to, user agreements, license agreements, communication site agreements, or any contracts between the lessee and other commercial entities. All potential subleases must first be approved in writing by SCRO. Depending on the activity of any potential subleases, SCRO is reserving the right to re-evaluate the need for further agency review and/or public notice before making a determination on the appropriateness of a proposed sublease. Sublease compensation to the State will be determined by SCRO according to AS 38.05.073(m), under the authority of AS 38.05.075(a) Leasing Procedures. In any case, a sublease fee for commercial activities will not be less than 25% of the annual fee paid to the leaseholder by a sublessee.

Assignment of Lease:

The proposed leases, if issued, may be transferred or assigned to another individual or corporation only with written approval from DMLW. A lease will not be assigned to an entity if that entity does not meet the statutory requirements of the lease, or if the lessee is considered not to be in “good standing” with DMLW or any other agency authorization. DMLW reserves the right to amend the terms of the leases prior to assignment.

Reclamation:

In accordance with AS 38.05.090(b), the lessee must restore the leaseholds to a “good and marketable condition” within 120 days after termination of the leases. What level of reclamation constitutes as being “good and marketable” is at the discretion of SCRO.

Public Notice of the Preliminary Decision:

Pursuant to AS 38.05.945, this PD will be advertised for a 30-day public comment period. Notice will be posted on the Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices/Default.aspx> and the post offices located in Talkeetna and Trapper Creek. Courtesy notices will also be mailed or emailed to neighboring property owners, permit/lease holders, and other interested parties on January 21, 2026, for a 30-day public comment period.

Comment(s):

This decision is subject to both public and agency comments, and all comments received by the comment deadline will be considered in the FFD. Only those who comment and the applicant have the right to appeal the FFD.

**Written comments about this project must be received in this office no later than
11:59 PM on February 20, 2026 to be considered.**

To submit comments, please choose one of the following methods:

Postal: Department of Natural Resources
 Division of Mining, Land and Water
 Southcentral Region Office
 ATTN: Audrey Gilroy
 550 West 7th Avenue, Suite 900C
 Anchorage, AK 99501-3577

Email: audrey.gilroy@alaska.gov

Fax: (907) 269-8913

Questions about the lease portion of this project can be directed to Audrey Gilroy at (907) 269-8111.

If public comments result in significant changes to the Preliminary Decision, additional public notice will be given. To be eligible to appeal the Final Finding and Decision, a person must provide written comments during the Preliminary Decision comment period per AS 38.05.035(i)-(m).

Signature page follows

Recommendation:

SCRO has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found that this project is consistent with all applicable statutes and regulations. SCRO considered three criteria to determine if this project provided the best interest to the State and the development and enjoyment of its natural resources. The criteria include direct economic benefit to the State, indirect economic benefit to the State, and encouragement of the development of the State's resources. This authorization provides a direct economic benefit to the State with the collection of fees for ADLs 234648, 234651, 234652, and 234653 and an indirect economic benefit through the encouragement and development of the State's resources. The authorization of these leases is in the State's best interest as it will continue to provide development and enjoyment of the Talkeetna Mountains. It is recommended that SCRO issue four separate 10-year leases to LFA.

Audrey Gilroy

Audrey Gilroy, Natural Resource Specialist 2

1/21/2026

Date

Preliminary Decision:

It is the determination of the Division of Mining, Land and Water that it may be in the State's best interest to issue four negotiated non-competitive land leases for 10 years each to LFA, as described above. Upon authorization of the leases, the applicant will be required to pay the annual lease fees of \$1,200.00 per lease, submit a \$2,000.00 performance bond for each lease, and provide proof of liability insurance. This Preliminary Decision shall now proceed to public notice.

Cinnamon Micelotta

Cinnamon Micelotta, General Leasing Program Manager
Division of Mining, Land and Water, Southcentral Regional Office

1/21/2026

Date

Attachments

Attachment A – Development Plan
Attachment B – Location Map



Attachment A

Development Plan

Last Frontier Adventures LLC Development Plan

Project description

The proposed plan is to build 4 huts/structures located in the Talkeetna Mtns. Each location has the space and adequate surface type for a bush plane to safely access. Hikers would be flown in and dropped off at a hut. Over the course of the next several days they would hike from hut to hut, choosing their own path/route to keep it original and to keep an established path from being developed. At the final hut they would be picked up again via bush plane. Trips are not guided. Furthest distance between huts is approx 11 miles, straight line. Were hikers to determine the distance to be too far they would retain the option to be picked up at their current hut location.

Proposed locations: (1) 62.17038, -149.4144w Updated

- (2) 62.10916n/149.05234w,
- (3) 62.05455n/149.36372w
- (4) 62.17896, -149.23882w updated

Local soil is a high alpine ground, well drained and solid. Access is only by bush plane.

Huts are proposed to be constructed of materials that would be flown in, with the exception of either #1 or #4. Proposed construction of the walls and fireplace of either #1 or #4 hut is with locally sourced stone and rock, not to exceed 18 cu yds per hut. The remainder of the materials would be flown in. Proposed material for construction is lightweight steel studs, a metal skin/panels on the exterior and the interior lined with wood. The floors are proposed to be of wood, attached to galvanized steel runners. Runners would be set on concrete blocking on the ground, no foundation would be needed. Huts are to be approx 10'x14' in size, and able to accommodate up to 4 people. They are proposed to be built in a manner that allows quick disassembly and removal. Estimated cost of construction is \$12,000 per hut. Estimated time of construction is up to 6 weeks for the completion of the 4 huts.

Huts will be dry huts, no water hookups. Also, they will not have any power source. They are proposed to be heated with small propane heaters, fueled by 20 lb propane bottles that would be flown in. Bottles would be stored outside, on the side of the hut. Hut #1 and #4 are proposed to have a fireplace as a 2nd heating option. Wood for the fireplace would be flown in.

A 3 ft x 4ft Pit Privy is proposed for each site, dug and constructed according to the guidelines of 18AAC 72.030.

Huts will be able to accommodate up to 4 people, with an estimated 3 people per week. Huts will be available year round as weather and conditions allow.

Maintenance as needed will be undertaken by Last Frontier Adventures. No subcontractors are expected to be used. Routine trips are expected to ensure sites remain clean, furnished, and waste products/trash removed.

In the event of closure/reclamation, huts would be disassembled and flown out with all supplies. Stone hut would be torn down, rocks returned to their natural state and materials that were flown in for construction would be flown back out.

Attachment A Development Plan



Attachment A Development Plan



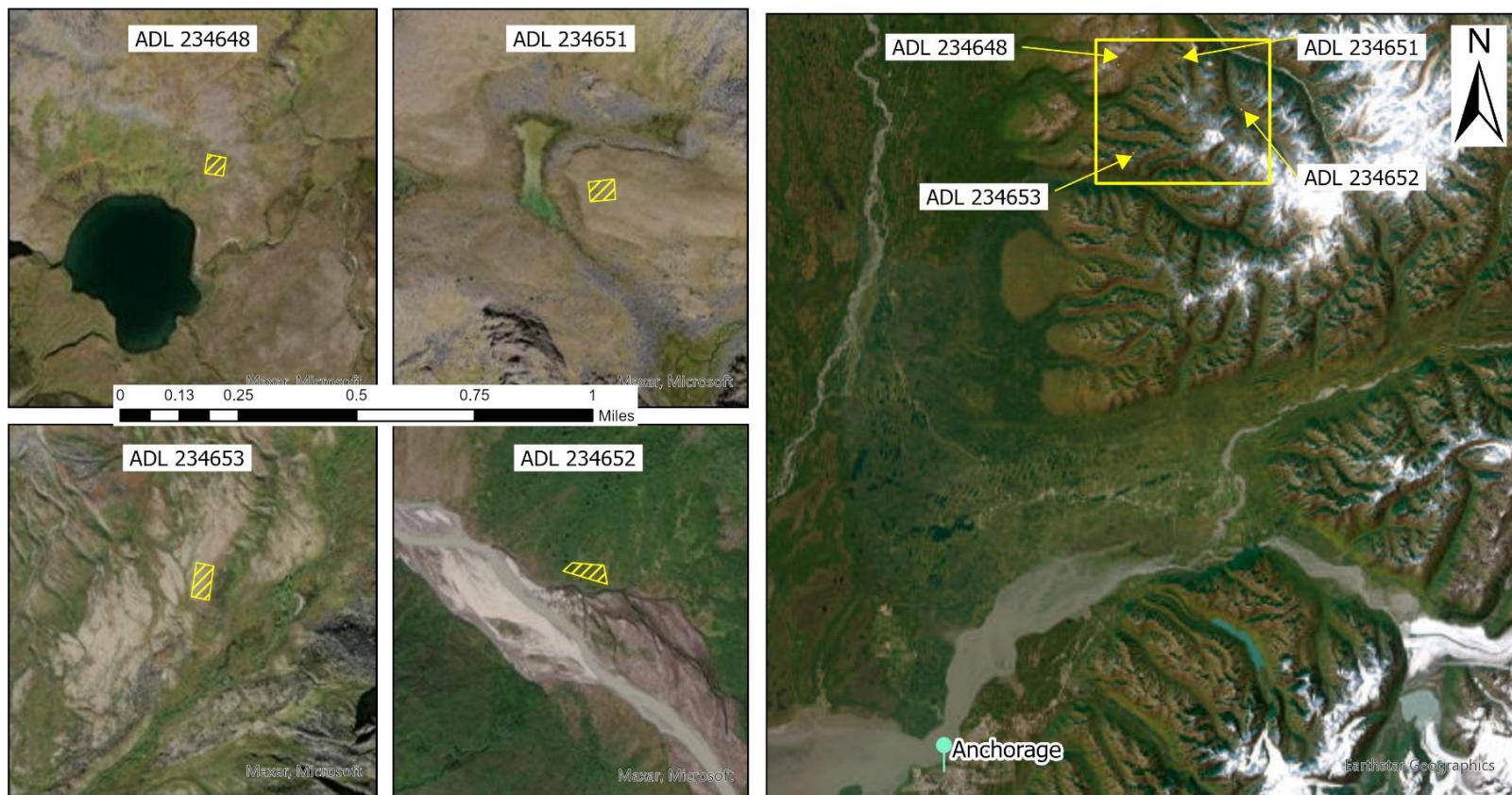
Attachment A Development Plan



Attachment A Development Plan



Attachment B Location Map



Legend

- Main Cities
- Lease Area LFA



Department of Natural Resources
Division of Mining, Land, and Water
Southcentral Regional Office

ADL 234648, 234651, 234652,
234653 Lease Areas

