

The Alaska Mental Health Trust Authority
Trust Land Office
BEST INTEREST DECISION
Alaska LNG Pipeline Project
Negotiated Term Easement – Nenana/Beluga, AK

MHT: 9400930

MH Parcel(s): FM-1179, FM-1323, FM-1326, FM-1329, FM-1333,
FM-1341, FM-1342, FM-1348, FM-1349, FM-1354, FM-1418,
FM-1419, FM-1427, SM-1530-A01, SM-7017

In accordance with AS 38.05.801 et seq. and the implementing regulations governing Alaska Mental Health Trust (“Trust”) land management (11 AAC 99), Trust land shall be managed consistently with the responsibilities accepted by the State under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)). This means that management shall be conducted solely in the best interest of the Trust and its beneficiaries.

In determining the best interest of the Trust and its beneficiaries, and in determining consistency between state law and the Alaska Mental Health Enabling Act, the Executive Director of the Alaska Mental Health Trust Land Office (“TLO”) shall, at a minimum, consider the following interactive Trust management principles in accordance with 11 AAC 99.020:

- Maximization of long-term revenue from Trust land;
- Protection of the corpus;
- Protection and enhancement of the long-term productivity of Trust land;
- Encouragement of a diversity of revenue-producing uses of Trust land; and
- Management of Trust land prudently, efficiently, and with accountability to the Trust and its beneficiaries.

I. Proposed Use of Trust Land. A negotiated term easement of Trust owned surface estate for the development of the Alaska LNG Project, near the communities of Nenana and Beluga, AK.

II. Applicant/File #. 8 Star Alaska, LLC / MHT 9400930

III. Subject Property.

A. Legal Description. An easement corridor, approximately 55,000 linear feet, more or less, within Sections 2, 5-8, 18, 19, 22, 23, 27, 30, 31, 34, Township 4 South/13 North, Range 8 West/10 West, Meridian Fairbanks & Seward, containing 600.00 acres more or less. Final easement length, legal description, and acreage to be determined by required survey.

Easement Construction License Width: 500-foot, more or less, corridor.
Final Easement Width: 60-foot, more or less, corridor for pipeline corridor and 100-foot, more or less, corridor for access roads.

B. Settlement Parcel Number(s). FM-1179, FM-1323, FM-1326, FM-1329, FM-1333, FM-1341, FM-1342, FM-1348, FM-1349, FM-1354, FM-1418, FM-1419, FM-1427, SM-1530-A01, and SM-7017

C. Site Characteristics/Primary Resource Values. The Beluga region parcels lie on the west side of Cook Inlet, an area defined by low-relief glacial uplands, expansive wetlands, and a mixed forest of spruce, birch, and willow. The landscape features shallow groundwater, numerous wetland drainages, and silty-to-sandy soils over glacial till, with no significant permafrost. Although surface access is limited, the region is heavily influenced by the Cook Inlet energy network, and resource values are dominated by natural gas potential, with secondary values in material resources, coal reserves, wildlife habitat, and suitability for energy corridor development.

The Nenana region parcels are defined by a broad alluvial, lowland shaped by the Tanana River system. Vegetation consists of black spruce wetlands and mixed spruce–birch–aspen forest on higher ground, with hydrology characterized by seasonally flooded areas, sloughs, and variable groundwater tied to river fluctuations. Soils include deep silt over alluvial gravels with discontinuous permafrost in poorly drained zones. Resource values center on substantial hydrocarbon potential, along with sand and gravel, limited forestry potential, and agriculture.

D. Historical and Existing Uses of the Property. Subsurface exploration has historically taken place in the vicinity of the proposed activity, however currently no authorized uses of the properties are currently taking place. A buried pipeline is generally a compatible use for other resource development should the TLO receive new interests in either respective region.

E. Adjacent Land Use Trends. The Nenana segments of the proposed project are generally on previously undeveloped parcels that have no adjacent activity. One portion of the Nenana segment on a portion of a Trust parcel (FM-1179) that will parallel the Parks Highway. The remaining segments of the Nenana region are primarily west of the Nenana River, South of Totchaket Road with one crossing of the Nenana River near the Seventeenmile Slough confluence.

The Beluga segment of the proposed project is generally remote for the region and on sections of parcels that have not previously been developed. One crossing of the Beluga River is anticipated near the Coffee Creek confluence within Trust parcel SM-1530-A01.

F. Previous State Plans/Classifications. The Nenana segments of the proposed project were previously included within the 1991 Tanana Basin Area Plan and were identified in the West Nenana (Unit 3T) subregion and a combination of 3T2 and

3T3 subunits. These units were given Land Use Designations of Forestry and Settlement.

The Beluga segments of the proposed project were previously included within the 1985 Susitna Area Plan within the Beluga subregion, subunits 3b (Potential Townsites) and 3e (Nicolai/Threemile). These units were given Land Use Designations of Reserved Use, Forestry, Wildlife Habitat, and Oil & Gas.

Since conversion of the land to be in Trust ownership, these lands are no longer bound by state area plans and are to be managed in the best interest of the Trust. Should other resource development advance in the vicinity of this proposed action, the Trust retains the ability to manage compatible uses, the issuance of a term easement does not preclude other compatible projects from taking place, in fact, may benefit from any sort of infrastructure development in the region.

G. Existing Plans Affecting the Subject Parcel. The portions of the proposed use that are on Trust land in the west Cook Inlet region are within the Kenai Peninsula Borough, while the portion of lands near the community of Nenana are in an unorganized region of Alaska. The Kenai Peninsula Borough subject area is considered to be “rural” and is generally not subject to most zoning restrictions. The TLO’s authorizations require the compliance with all local, state, and federal laws, regulations, and requirements.

H. Apparent Highest and Best Use. Issuance of proposed term easement. As the proposed authorization is for a finite period of time and does not remove the parcels from Trust ownership, the TLO retains the ability to include these parcels in future development such as subdivision development, mineral exploration, or other opportunities that may arise in the future.

IV. Proposal Background. The applicant is a subsidiary of the Alaska Gasline Development Corporation, created to manage the project, the Alaska LNG Project, a proposed natural gas pipeline and liquefaction facility to export gas from the North Slope. The project as a whole is an 807-mile pipeline, in which approximately 10 miles are proposed to cross Trust land, in the Nenana and Beluga regions.

Primary development includes a buried 42-inch pipeline, to deliver natural gas in Alaska and to an LNG export facility in Nikiski. In addition to the primary corridor, several material sales may be authorized for the use of local sources of material for the development of the project. Development would begin with a larger development corridor managed by an Easement Construction License, up to an approximate 500 feet wide at certain points reducing to an expected operation width of approximately 60 feet wide, with final easement width and length to be based on required survey along with operational and development plans.

In addition to land authorization, limited material sales on Trust land are anticipated in each region to source local material and will be handled on an as needed basis and are not anticipated to reach limits that trigger consultation requirements.

Pending all permitting and authorization processes, construction of segments of the project, both within MHT 9400930 and on segments outside the scope of this decision, are slated to begin during 2026.

- V. Terms and Conditions.** The proposed action includes authorizing surface use of the aforementioned portions of Trust land for a primary term of 30 years, with terms for extensions. An initial Easement Construction License will be issued for a term of 5 years for the entry, permitting, construction, surveying and initial operation, with terms for extensions.
- A. Annual Rent.** The rent for the Easement Construction License will be \$0.50/linear foot annually and escalate to be \$0.85/linear foot annually during the Easement primary term with built in escalations in 5-year increments. For the calculation of rent during the Easement Construction License phase, a total combined segment length of 55,000 linear feet will be applied. A survey must be conducted to establish the definitive easement length for official Easement location and linear feet of the Easement.
- B. Bonding/Insurance.** The TLO standardly requires submittal of a performance guarantee for land use authorizations. MHT 9400930 shall be required to maintain a minimum interim bond in the amount of \$50,000 during the Easement Construction License phase and as a requirement to convert to the final Easement, shall fill an Easement Performance Deposit in an amount determined by an Independent Engineer that shall consider factors such as cost to remove improvements, cost to perform reclamation and restoration activities, and disposal costs, scrap, and reuse value of the improvements to the property. Additionally, the applicant is required to maintain insurance for the project that meets or exceeds the TLO's standards.
- C. Survey.** The applicant shall be required to complete a final as-built survey prior to conversion to the final easement authorization.
- VI. Resource Management Considerations.** The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets.
- VII. Alternatives.** (1) Offer the parcel competitively, which is not warranted given the applicant's strategic agreements and land holdings that comprise of the entire project. (2) do not offer the land for development, which would result in nonperforming assets remaining as non-producers.
- VIII. Risk Management Considerations.**
- A. Performance Risks.** Performance risks will be minimized through enforcement of the terms and conditions of the lease, including but not limited to those provisions

that address development/operational plan approval, diligent resource development over time and reclamation activities.

- B. Environmental Risks.** The development activities performed under this authorization will be done within the parameters of local, state, and federal environmental protection laws that generally apply to private lands. Easement stipulations require compliance with federal acts such as the RCRA and CERCLA as well as other state reclamation requirements. The applicant will also be adequately bonded and insured.
- C. Public Concerns.** Historically, significant concern has been expressed about the impact of easement activities on public resources such as fish and wildlife. Environmental laws, regulations, and specialized operating guidelines have been developed to mitigate potential impacts to public resources. As noted above, the TLO easement will require full compliance with those laws and regulations.

IX. Due Diligence.

- A. Site Inspection.** TLO Staff are generally familiar with the Trust parcels affected by this decision and would inspect the activity periodically throughout the life of this authorization.
- B. Valuation.** Easement terms are competitive market rates that maximize the revenue of the lands.
- C. Terms and Conditions Review.** The use of the TLO's standard Easement document will be used in this transaction, is constantly reviewed, and is similar to industry standard agreements such as ones issued by the DNR Division of Mining, Land, & Water.

X. Authorities.

- A. Applicable Authority.** AS 37.14.009(a), AS 38.05.801, and 11 AAC 99 (key statutes and regulations applicable to Trust land management and disposal).
- B. Inconsistency Determination.** As the proposed negotiated easement is specifically authorized under 11 AAC 99, any relevant provision of law applicable to other state lands is inapplicable to this action if it is inconsistent with Trust responsibilities accepted by the State under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)) as clarified by AS 38.05.801 and Alaska Mental Health Trust land regulations (11 AAC 99). 11 AAC 99 includes determinations that certain State statutes applicable to other State land do not apply to Trust land unless determined by the Executive Director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The State Statutes deemed inconsistent with Trust management principles and inapplicable to Trust land by these regulations have not been applied to this decision or this action, including, but not limited to, AS 38.04 (Policy for Use and Classification of State Land Surface), AS 38.05.035 (Powers and Duties of the Director), AS 38.05.300 (Classification of Land), AS 38.05.945 (Notice), AS 38.05.946 (Hearings), and 11 AAC 02 (Appeals).

- XI. Trust Authority Consultation.** The Alaska Mental Health Trust Resource Management Committee was consulted on January 22, 2026. The Committee recommended that the

proposed transaction be forwarded to the Alaska Mental Health Trust board of trustees. On February 19, 2026, the board of trustees adopted the motion stating:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the decision to issue a negotiated term easement to 8 Star Alaska, LLC for a portion of Trust parcels FM-1179, FM-1323, FM-1326, FM-1329, FM-1333, FM-1341, FM-1342, FM-1348, FM-1349, FM-1354, FM-1418, FM-1419, FM-1427, SM-1530-A01, and SM-7017.”

XII. Best Interest Decision. Given the information above and the information contained in the complete record, the Executive Director finds that the proposed transaction is in the best interest of the Trust, subject to the terms and conditions addressed in this decision. The decision is based upon the consideration of the five Trust management principles set out in 11 AAC 99.020 and is in full compliance with 11 AAC 99. This decision does not preclude the TLO from determining that an alternative proposal will serve the best interest of the Trust. A future determination of that nature will require a best interest decision specific to the proposal.

A. Non-competitive Disposal Determination. 11 AAC 99.020 (d) allows for the disposal of Trust land through a competitive basis, unless the Executive Director in consultation with the Trust Authority, determines in a written decision required by 11 AAC 99.040 that a non-competitive disposal is in the best interest of the Trust and its beneficiaries. If another party submits a qualified offer as explained in Section XIII, the Executive Director may consider a competitive sale under the authority of this decision. Given that no other entity has secured the same level of business agreements as the applicant with the State of Alaska, the likelihood of another party submitting a qualified offer for the same project in which the Trust will benefit from the collection of annual compensation with the same level of minimal impact to Trust land is reduced to a point that warrants a non-competitive disposal process.

XIII. Opportunity for Comment. Notice of this Best Interest Decision will take place as provided under 11 AAC 99.050. Persons who believe that the decision should be altered because it is not in the best interest of the Trust or its beneficiaries, or because the decision is inconsistent with Trust management principles set out in 11 AAC 99.020 or any other provision of 11 AAC 99, must provide written comments to the TLO during the notice period. Following the comment deadline, the Executive Director will consider timely written comments that question the decision on the basis of the best interest of the Trust and its beneficiaries or inconsistency with 11 AAC 99. The Executive Director may then, in his or her discretion, modify the decision in whole or in part in response to such comments or other pertinent information, or affirm the Best Interest Decision without changes. The Best Interest Decision as modified or affirmed will become the final agency action, subject to reconsideration procedures under 11 AAC 99.060. Additional notice will be provided for a substantially modified decision. If no comments are received by the end

of the notice period, this Best Interest Decision will be affirmed, and the proposed action taken. (See notice for specific dates.)

- XIV. Reconsideration.** To be eligible to file for reconsideration of this Best Interest Decision, or to file a subsequent appeal to the Superior Court, a person must submit written comments during the notice period.

Persons who submit timely written comments will be provided with a copy of the final written decision and will be eligible to request reconsideration within 20 calendar days after publication of the notice or receipt of the decision, whichever is earlier under 11 AAC 99.060(b). This request must be accompanied by the fee established by the Executive Director under 11 AAC 99.130, which has been set at \$500, to be eligible for reconsideration. The Executive Director shall order or deny reconsideration within 20 calendar days after receiving the request for reconsideration. If the Executive Director takes no action during the 20-day period following the request for reconsideration, the request is considered denied. Denial of a request for reconsideration is the final administrative decision for purposes of appeal to the superior court under AS 44.62.560.

- XV. Available Documents.** Background documents and information cited herein is on file and available for review at the TLO, located at 2600 Cordova Street, Suite 201, Anchorage, Alaska 99503. Phone: (907) 269-8658. Email: mhtlo@alaska.gov.

The disposal action proposed by this decision will occur no less than 30 days after the first publication date of this decision, and after the conclusion of the TLO administrative process. For specific dates or further information about the disposal, interested parties should contact the TLO at the above address, or visit the website at: <https://alaskamentalhealthtrust.org/trust-land-office/>.

XVI. APPROVED:

Signed by:
Jusdi Warner
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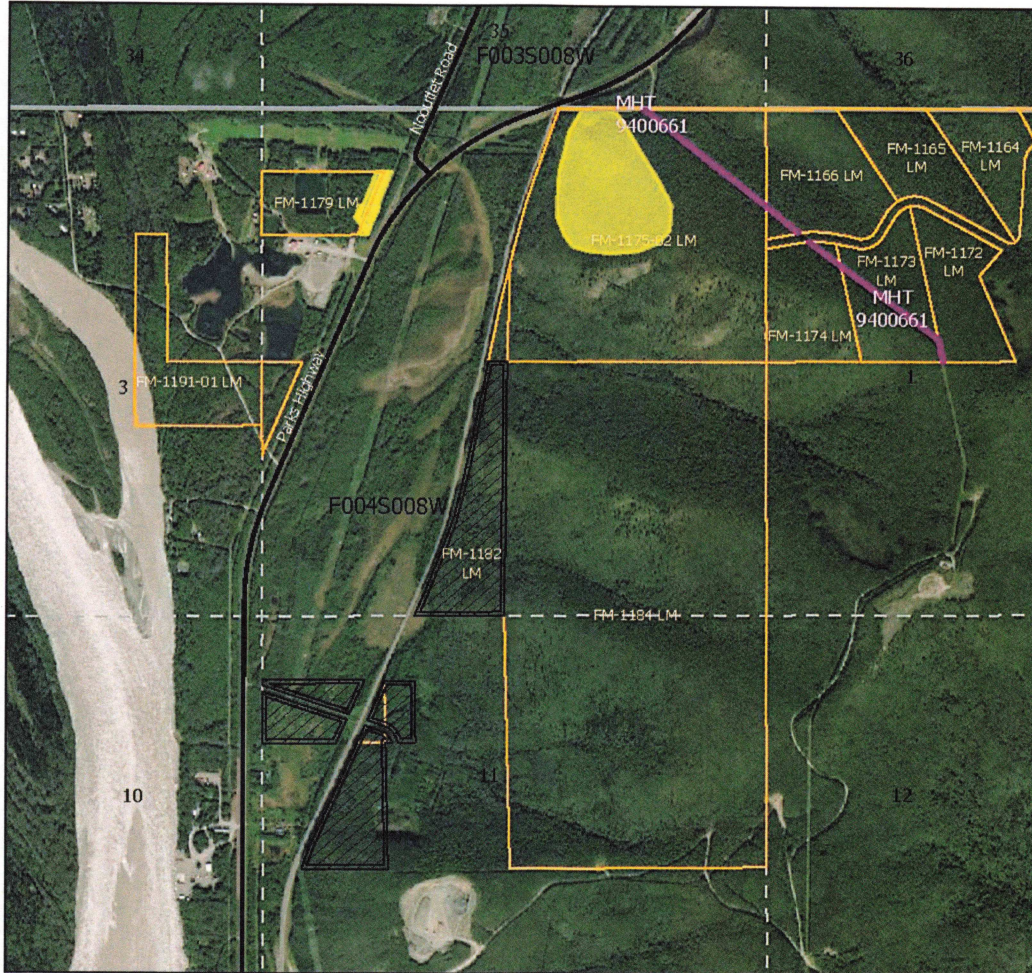
Jusdi Warner
Executive Director
Alaska Mental Health Trust Land Office

4/21/2026

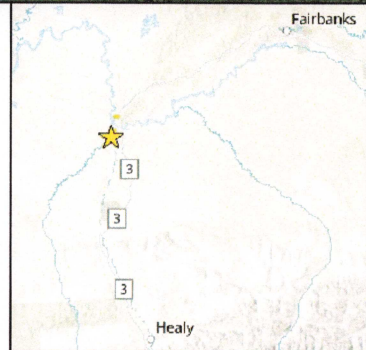
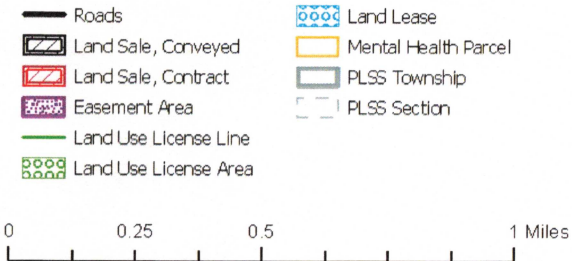
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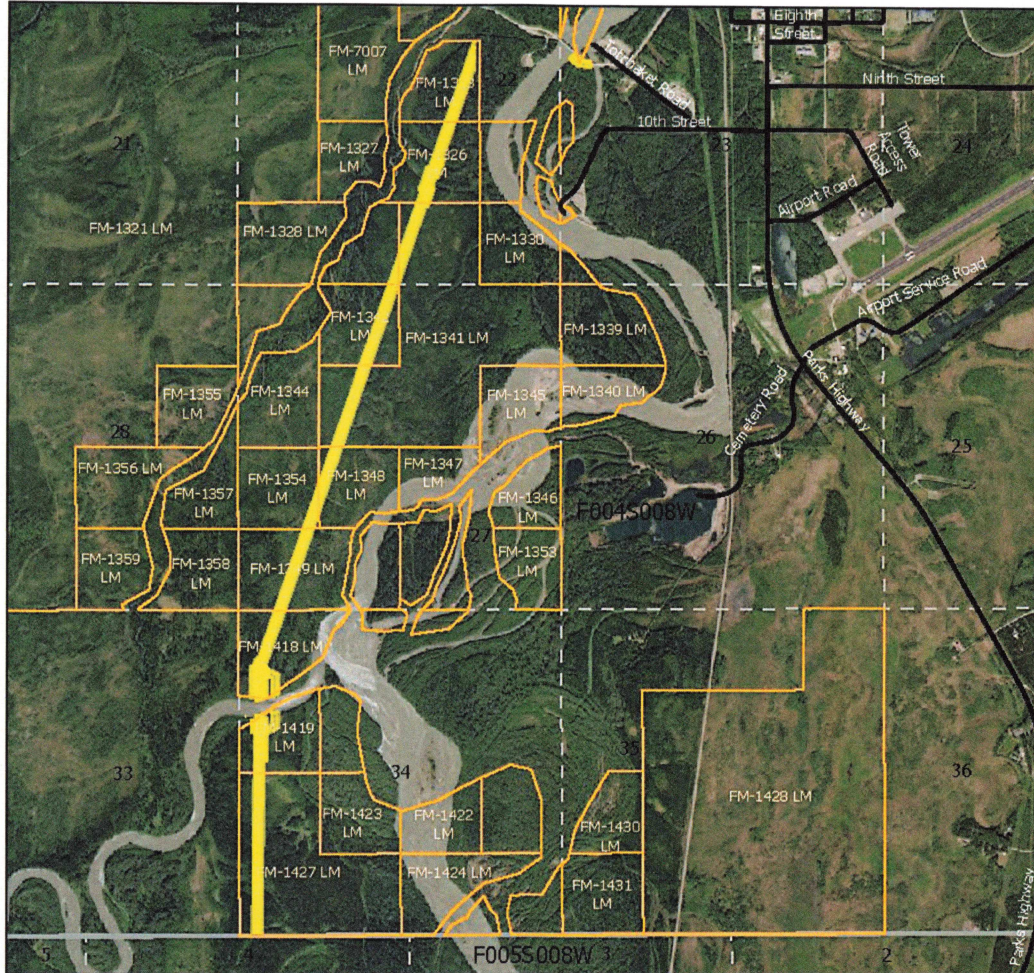
Attachment A: Area Maps

Attachment A
Area Maps


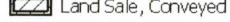
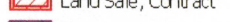
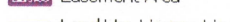



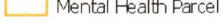




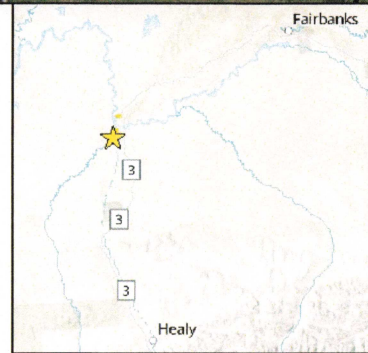
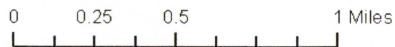
MHT 9400930, Nenana

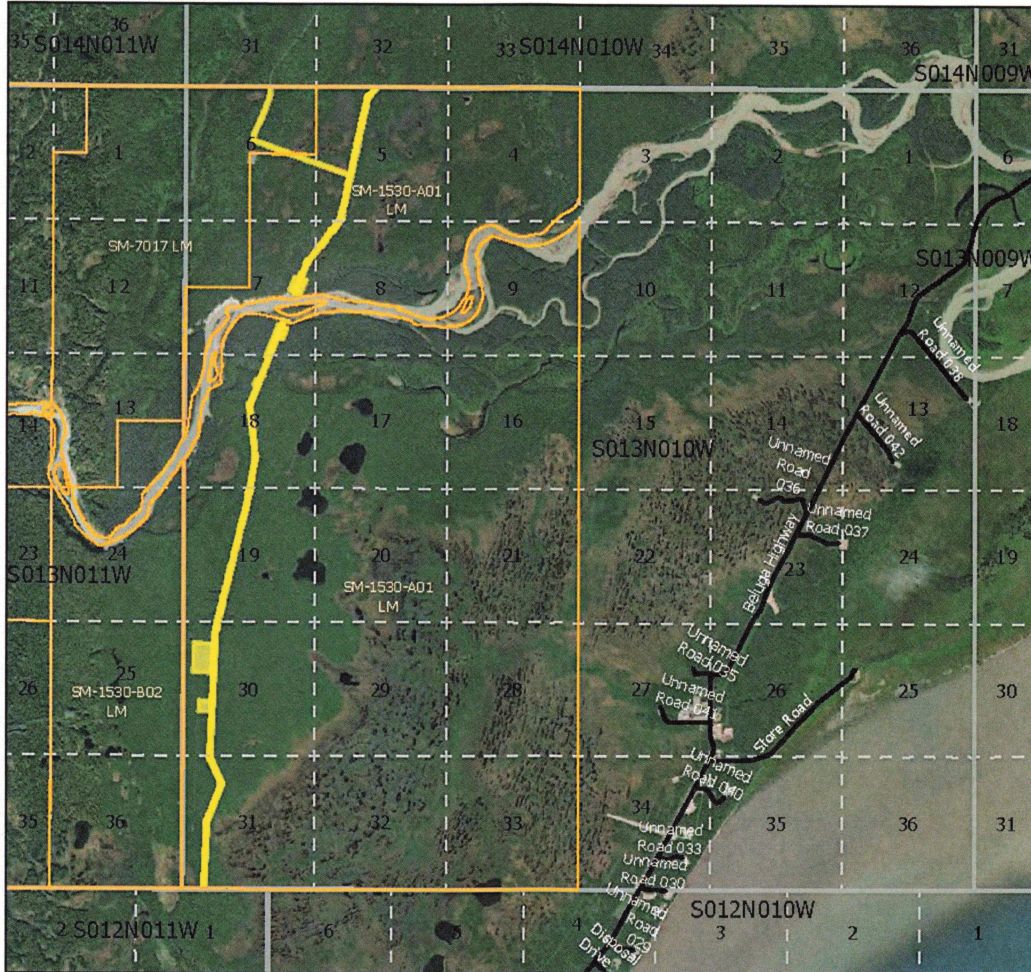














MHT 9400930, Nenana

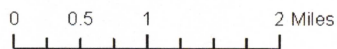
-  Roads
-  Land Sale, Conveyed
-  Land Sale, Contract
-  Easement Area
-  Land Use License Line
-  Land Use License Area
-  Land Lease
-  Mental Health Parcel
-  PLSS Township
-  PLSS Section





MHT 9400930, Tyonek

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Alaska Mental Health Trust Authority
Trust Land Office
Notice under 11 AAC 99.050 of
Decision to Issue Negotiated Term Easement – Nenana/Beluga, AK
Alaska LNG Pipeline Project
MHT 9400930

Notice is hereby given that, pursuant to the provisions of AS 38.05.801 and 11 AAC 99, the Executive Director of the Alaska Mental Health Trust Land Office (TLO) has determined that it is in the best interest of the Alaska Mental Health Trust and its beneficiaries to complete a Negotiated Term Easement certain Trust land to the 8 Star Alaska, LLC for the development of portions of the Alaska LNG Pipeline Project that cross Trust land. The basis for this determination is explained in a written best interest decision prepared by the Executive Director pursuant to 11 AAC 99.040.

The Trust land affected by the decision is adjacent to Nenana and Beluga, and is more particularly described as being located within Sections 2, 5-8, 18, 19, 22, 23, 27, 30, 31, 34, Township 4 South/13 North, Range 8 West/10 West, Meridian Fairbanks & Seward, containing approximately 600 acres (MH Parcel(s) FM-1179, FM-1323, FM-1326, FM-1329, FM-1333, FM-1341, FM-1342, FM-1348, FM-1349, FM-1354, FM-1418, FM-1419, FM-1427, SM-1530-A01, and SM-7017). Final acreage and legal description would be set by required survey.

Persons who believe that the written decision should be altered because it is not in the best interest of the Trust or its beneficiaries, or because the decision is inconsistent with Trust management principles set out in 11 AAC 99.020, or any other provision of 11 AAC 99, must provide written comments on or before **4:30 PM, May 26, 2026**. **Comments should be submitted to the TLO at 2600 Cordova Street, Suite 201, Anchorage, AK 99503, or by fax (907) 269-8905 or email mhtlo@alaska.gov**. Following the comment deadline, the Executive Director will consider timely comments that question the decision on the basis of the best interest of the Alaska Mental Health Trust and its beneficiaries or inconsistency with 11 AAC 99, and the best interest decision may be changed in response to such written comments or other information. Commenting parties will be provided a copy of the final best interest decision after the end of the notice period.

To be eligible to file for reconsideration of the best interest decision, or to file a subsequent appeal to the Superior Court, a person must have submitted written comments during the notice period. Eligible persons will have twenty (20) calendar days after published notice of or receipt of the final written decision to request that the Executive Director reconsider the decision under 11 AAC 99.060(b).

Copies of the written decision are available at the Trust Land Office, or at <https://alaskamentalhealthtrust.org/trust-land-office/>. If you have any questions concerning this action, please contact the Trust Land Office at (907) 269-8658.

In compliance with the Americans with Disabilities Act, the Alaska Mental Health Trust is prepared to accommodate individuals with disabilities. Please contact the Trust Land Office at (907) 269-8658 for assistance. Requests for assistance must be received at least 96 hours prior to the comment deadline in order to ensure that any necessary accommodations can be provided.

The Executive Director of the TLO reserves the right to waive technical defects in this notice or to amend, postpone, or vacate the best interest decision.

Jusdi Warner

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Jusdi Warner
Executive Director

4/21/2026

Date
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