



June 5, 2026

Notice of Application Received for Kenai Loop Gas Field Storage Lease and Request for Comments

The Department of Natural Resources (“DNR”), Division of Oil and Gas (“DO&G”) hereby gives notice under AS 38.05.945 of the receipt of a gas storage lease application under AS 38.05.180(u) and 11 AAC 83.500-520.

Hilcorp Cook Inlet, LLC (“Hilcorp”) proposes to develop and operate a utility-scale natural gas storage facility utilizing subsurface pore space in the Tyonek sand formation in the Kenai Loop area.

The facility will store natural gas owned by Hilcorp Cook Inlet, LLC and may be converted to a regulated utility in the future to allow storage of third-party gas. Hilcorp will be the owner and operator of the gas storage lease. The proposed Project would be owned by Hilcorp Cook Inlet, LLC and operated on its behalf by Hilcorp Alaska, LLC. The facility is proposed to be located in the City of Kenai.

Hilcorp plans to acquire approximately one mile of pipeline right-of-way from various landowners. The precise pipeline route will be surveyed and optimized to ensure efficient routing and location and will be subject to additional permit applications and public notice requirements. Additionally, Hilcorp intends to apply to the Alaska Oil and Gas Conservation Commission for a Storage Injection Order.

The lands in the proposed storage area contain approximately 1,330 acres of State of Alaska owned subsurface gas storage reservoir. State storage lands are located in portions of the following lands:

Township 6 North, Range 11 West, Seward Meridian:
Sections 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, and 34.

Township 5 North, Range 11 West, Seward Meridian:
Sections 3, 4, 5, and 6

Only the State’s portion of the gas storage reservoir is proposed for lease. The gas storage lease may not interfere with any existing oil and gas lease and must include a fee and surface damage provision (11 AAC 83.505). Hilcorp must obtain approval from agencies with jurisdiction, including the Alaska Oil and Gas Conservation Commission prior to any gas storage.

The Director, DO&G calls for your comments under AS 38.05.035(e) regarding whether the issuance of the proposed gas storage lease would be in the best interests of the state. Comments will also assist DO&G when considering lease stipulations and mitigation measures. Following this comment period DO&G will issue a written finding. To be eligible to appeal this finding, a person must provide written comments during this comment period. DO&G will send a copy of the preliminary finding to any person who provides written comment.

The application is available for review as an attachment to this notice at:
<https://aws.state.ak.us/OnlinePublicNotices/Default.aspx>,

and is also available on the DO&G website at:

<https://dog.dnr.alaska.gov/Library>

To be considered, written comments must be submitted by postal mail or electronic mail (e-mail) to:

Clearly mark submittal(s) as “*Comment on Proposed Hilcorp Kenai Loop Gas Storage Lease*”, or “*Agency Information on Proposed Kenai Loop Gas Storage Lease*” and send to:

Best Interest Findings

500 W. 7th Ave., Suite 1100, Anchorage, AK 99501

or email to: dog.bif@alaska.gov

COMMENTS MUST BE RECEIVED ON OR BEFORE 5:00 P.M., JULY 7, 2026

