



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.

ENSTAR Natural Gas Company, LLC (“ENSTAR”) proposes to develop and operate a natural gas storage facility by converting the gas producing horizon located within the Upper Tyonek Pool Formation of the Kenai Loop Gas Field (“KLGf”) Undefined Gas Pool, to a gas storage reservoir. ENSTAR plans to convert the existing gas production wells to gas storage service wells and drill additional gas storage wells in the future to meet daily injection and withdrawal demand. The existing wells and associated facilities are located in the City of Kenai.

ENSTAR and the current KLGf operator, AIX Energy LLC (“AIX”), executed a Purchase and Sale Agreement to acquire AIX’s existing assets and gas production leases. Additionally, ENSTAR petitioned for an advance determination of decisional prudence for a natural gas storage project with the Regulatory Commission of Alaska on January 12, 2026. ENSTAR also applied for a Storage Injection Order to the Alaska Oil and Gas Conservation Commission on April 30, 2026.

The lands in the proposed storage area contain approximately 500 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 32, 33, and 34.

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). ENSTAR 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 ENSTAR 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

