



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

DIVISION OF MINING, LAND & WATER
Southcentral Regional Land Office

550 West 7th Avenue, Suite 900C
Anchorage, Alaska 99501-3577
Main: 907.269.8503
TTY: 711 or 800-770-8973
Fax: 907.269.8913

August 18, 2026

ENSTAR Natural Gas Company, LLC
P.O. Box 1900288
Anchorage, AK 99503
Attn: Sterling Lopez
Email: sterling.lopez@enstarnaturalgas.com

RE: Boring an 8-inch natural gas pipeline under the Twentymile River to resolve an emergency break in the existing line.

Expires: October 17, 2026

Mr. Lopez,

Your Letter of Authorization will be executed upon receipt of the following items:

- Letter of Authorization signed by the Grantee

LETTER OF AUTHORIZATION ADL 234936
AS 38.05.850

ENSTAR Natural Gas Company, LLC, herein known as the Grantee, is issued this Letter of Authorization from the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW), Southcentral Regional Land Office (SCRO), herein known as the Grantor, authorizing the use of state land within:

Legal Description:

DMLW-managed submerged lands located within Section 30, Township 9 North, Range 3 West, Seward Meridian.

This Letter of Authorization is issued for the purpose of authorizing:

Entry upon state submerged lands for the use of heavy equipment to bore a new alignment for a portion of the Anchorage to Whittier natural gas pipeline to bypass and repair a leak in the existing submerged line (ADL 32606). A new 8-inch pipeline will be drilled in an approximate north-south alignment across the submerged lands underlying the Twentymile River, connecting to corresponding new alignments on U.S. Forest Service uplands which will reconnect with the existing line, as depicted on Attachment A.

This Letter of Authorization only pertains to the emergency work required to bypass the break in the line. After the emergency work is completed, ENSTAR will work with SCRO to request a long-term easement alignment to cover the new portion of the natural gas pipeline across state submerged lands. No part of this Letter of Authorization is intended to relieve the Grantee of the responsibility to comply with all federal, state, and local regulations which may pertain to the scope of work proposed.

This Letter of Authorization is for the term beginning **August 18, 2026**, and ending **October 17, 2026**, unless sooner terminated at the state's discretion, effective the date of signature by the Authorized Officer. This letter of authorization does not convey an interest in state land and as such is revocable, with or without cause. A revocation for cause is effective immediately. No preference right for use or conveyance of the land is granted or implied by this authorization.

This Letter of Authorization is subject to the following terms and conditions:

1. **Authorized Officer:** The Authorized Officer (AO) for the State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), is the Regional Manager or designee.
2. **Change of Contact Information:** The Grantee shall maintain current contact information with the AO. Any change of contact information must be submitted in writing to the AO.
3. **Development Plan:** Development shall be limited to the authorized area and improvements specified in the approved development plan or subsequent modifications approved by the AO. The Grantee is responsible for accurately siting development and operations within the authorized area. Any proposed revisions to the development plan must be approved in writing by the AO before the change in use or development occurs.
4. **Violations:** This letter of authorization is revocable immediately upon violation of any of its terms, conditions, stipulations, nonpayment of fees, or upon failure to comply with any other applicable laws, statutes and regulations (federal and state). Should any unlawful discharge, leakage, spillage, emission, or pollution of any type occur due to Grantee's, or its employees', agents', contractors', subcontractors', licensees', or invitees' act or omission, Grantee, at its expense shall be obligated to clean the area to the reasonable satisfaction of the State of Alaska.
5. **Public Access:** The construction, operation, use, and maintenance of the authorized area shall not interfere with public use of roads, trails, waters, landing areas, and public access easements. The ability to use or access state land or public waters may not be restricted in any manner. However, if a specific activity poses a safety concern, the AO may allow the restriction of public access for a specific period of time. The Grantee is required to contact the AO in advance for approval. No restriction is allowed unless specifically authorized in writing by the AO.
6. **Public Trust Doctrine:** The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This letter of authorization is subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The AO reserves the right to grant other interests consistent with the Public Trust Doctrine.
7. **Valid Existing Rights:** This letter of authorization is subject to all valid existing rights and reservations in and to the authorized area. The State makes no representations or warranties,

whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.

- 8. Site Maintenance:** The authorized area shall be maintained in a neat, clean, and safe condition, free of any solid waste, debris, or litter, except as specifically authorized herein. Nothing may be stored that would be an attractive nuisance to wildlife or create a potentially hazardous situation.
- 9. Maintenance of Improvements:** The Grantor is not responsible for maintenance of authorized improvements or liable for injuries or damages related to those improvements. No action or inaction of the Grantor is to be construed as assumption of responsibility.
- 10. Amendment or Modification:** The Grantee may request an amendment or modification of this letter of authorization; the Grantee's request must be in writing. Any amendment or modification must be approved by the AO in advance and may require additional fees and changes to the terms of this letter of authorization.
- 11. Concurrent Use:** The DMLW reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land under this letter of authorization. Authorized concurrent users of State land, their agents, employees, contractors, subcontractors, and licensees shall not interfere with the operation or maintenance activities of each user.

The DMLW may require authorized concurrent users of State land to enter into an equitable agreement regarding concurrent use.
- 12. Assignment:** This letter of authorization may not be transferred or assigned without the prior written consent of the AO. The grantor reserves the right to modify and/or add stipulations for the letter of authorization prior to approving the assignment.
- 13. Request for Information:** The AO, at any time, may require the Grantee to provide any information directly or indirectly related to this letter of authorization, in a manner prescribed by the AO.
- 14. Inspections:** The AO shall have reasonable access to the authorized area for inspection, which may be conducted without prior notice. If the Grantee is found to be in noncompliance the authorized area may be subject to reinspection. The Grantee may be charged for actual expenses of any inspection.
- 15. Site Disturbance:** Site disturbance shall be kept to a minimum to protect local habitats. All activities at the site shall be conducted in a manner that will minimize the disturbance of soil and vegetation and changes in the character of natural drainage systems.
- 16. Destruction of Markers:** The Grantee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed corner posts against damage, destruction, or obliteration. The Grantee shall notify the AO of any damaged, destroyed, or obliterated markers and shall reestablish the markers at the Grantee's expense in accordance with accepted survey practices of the DMLW.
- 17. Fuel and Hazardous Substances:**
 - a. The use and/or storage of hazardous substances by the Grantee must be done in accordance with existing federal, state and local laws, regulations and ordinances. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals

may be classified as a hazardous substance and must be removed and disposed of in accordance with existing federal, state and local laws, regulations and ordinances.

- b. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up spills from any transfer or handling of fuel.
- c. Vehicle refueling shall not occur within the annual floodplain or tidelands. This restriction does not apply to water-borne vessels provided no more than 30 gallons of fuel are transferred at any given time.
- d. During equipment maintenance operations, the site shall be protected from leaking or dripping hazardous substances or fuel. The Grantee shall place drip pans or other surface liners designed to catch and hold fluids under the equipment or develop a maintenance area by using an impermeable liner or other suitable containment mechanism.

18. Performance Guaranty: The AO, at this time, is not requiring the Grantee to provide a performance guaranty. The right to require such performance guaranty is being reserved in the event the Grantee's compliance is less than satisfactory. If required, such performance guaranty shall remain in effect for the remainder of this letter of authorization and shall secure performance of Grantee's obligations hereunder. The amount of the performance guaranty may be adjusted by the AO in the event of approved amendments to this letter of authorization, changes in the development plan, or any change in the activities or operations conducted on the premises.

19. Insurance: Insurance is not required. The AO reserves the right to require insurance during the term of this letter of authorization. If required, insurance of a type and in an amount acceptable to the AO, must be provided and remain in place during the term of this letter of authorization. The type and amount of insurance may be adjusted to reflect updates and changes in the associated project.

20. Incurred Expenses: The Grantor shall in no way be held liable for expenses incurred by the Grantee connected with the activities directly or indirectly related to this letter of authorization.

21. Indemnification: Grantee assumes all responsibility, risk and liability for its activities and those of its employees, agents, contractors, subcontractors, licensees, or invitees, directly or indirectly related to this letter of authorization, including environmental and hazardous substance risk and liability, whether accruing during or after the term of this letter of authorization. Grantee shall defend, indemnify, and hold harmless the State, its agents and employees, from and against any and all suits, claims, actions, losses, costs, penalties, and damages of whatever kind or nature, including all attorney's fees and litigation costs, arising out of, in connection with, or incident to any act or omission by the Grantee, its employees, agents, contractors, subcontractors, licensees, or invitees, unless the proximate cause of the injury or damage is the sole negligence or willful misconduct of the State or a person acting on the State's behalf. Within 15 days, the Grantee shall accept any such cause, action or proceeding upon tender by the State. This indemnification shall survive the termination of the letter of authorization.

22. Preference Right: No preference right for subsequent authorizations are granted or implied by this letter of authorization.

- 23. Alaska Historic Preservation Act:** The Alaska Historic Preservation Act, AS 41.35.200, prohibits the appropriation, excavation, removal, injury, or destruction of any state owned historic, prehistoric, archaeological or paleontological site without written approval from the DNR Commissioner. Should any sites be discovered, the Grantee shall cease any activities that may cause damage and immediately contact the AO and the Office of History and Archaeology in the Division of Parks and Recreation.
- 24. Compliance with Government Requirements:** The Grantee shall, at its expense, comply with all federal, state, and local laws, regulations, and ordinances directly or indirectly related to this letter of authorization. The Grantee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.
- 25. Waiver of Forbearance:** Any failure on the part of the AO to enforce the terms of this letter of authorization, or the waiver of any right under this letter of authorization by the Grantee, unless in writing, shall not discharge or invalidate the letter of authorization of such terms. No forbearance or written waiver affects the right of the AO to enforce any terms in the event of any subsequent violations of terms of this letter of authorization.
- 26. Severability Clause:** If any clause or provision of this letter of authorization is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the Grantor and the Grantee agree that the remainder of this letter of authorization will not be affected, and in lieu of each clause or provision of this letter of authorization that is illegal, invalid, or unenforceable, there will be added as a part of this letter of authorization a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.
- 27. Fire Prevention, Protection and Liability:** The Grantee shall take all reasonable precautions to prevent and suppress forest, structure, brush and grass fires, and shall assume full liability for any damage to state land and structures resulting from the negligent use of fire. The State is not liable for damage to the Grantee's personal property and is not responsible for forest fire protection of the Grantee's activity. To report a wildfire, call 911 or 1-800-237-3633.
- 28. Notification of Discharge:** The Grantee shall immediately notify the Department of Environmental Conservation (DEC) and AO of any unauthorized discharge of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported immediately.

If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the Grantee shall report the discharge within 48 hours. Any discharge of oil greater than one gallon up to 10 gallons, including a cumulative discharge, solely to land, must be reported in writing on a monthly basis.

Notification of discharge during normal business hours must be made to the nearest DEC Area Response Team: Anchorage (907) 269-7500, fax (907) 269-7687; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-5245. For discharges in state off shore waters call (907) 269-0667. The DEC oil spill report number outside normal business hours is (800) 478-9300.

Notification of discharge must be made to the appropriate DNR Office, preferably by e-mail: Anchorage email dnr.scro.spill@alaska.gov, (907) 269-8503; Fairbanks email

dnr.nro.spill@alaska.gov, (907) 451-2739; Juneau email dnr.sero@alaska.gov, (907) 465-3400. The Grantee shall supply the AO with all incident reports submitted to DEC.

- 29. Storage of Equipment:** Storing any vehicles, materials, or supplies after the annual dates of authorized use without written authorization from the AO is specifically prohibited.
- 30. Termination:** The letter of authorization remains in effect for the term issued, unless revoked sooner. The department will give 30 days' notice before revoking a letter of authorization at will. A revocation for cause is effective immediately.
- 31. Other Authorizations:** The issuance of this letter of authorization does not alleviate the necessity of the Grantee to obtain authorizations required by other agencies for this activity.
- 32. Operation of Heavy Equipment:** The operation of heavy equipment on the state land is authorized under this Letter provided the equipment is inspected for leakage such as fuel, oil, hydraulic fluid and any other leaking hazardous material daily. If such a leakage is found, the equipment shall not be used, and must be pulled out of service until the leak is repaired. Cleanup of any spills must begin immediately.
- 33. Completion Report:** A completion report shall be submitted prior to relinquishment, or within 30 days after expiration or termination of the authorization. Failure to submit a satisfactory report subjects the site to a field inspection requirement for which the Grantee may be assessed an inspection fee, as outlined herein. The report shall contain the following information:
 - a. a statement of restoration activities and methods of debris disposal;
 - b. a statement that the Grantee has removed all improvements and personal property from the authorized area other than authorized herein;
 - c. a report covering any known incidents of damage to the vegetative mat and underlying substrate, and follow-up corrective actions that may have taken place while operating under this authorization;
 - d. and, photographs of the authorized site taken before, during and after the proposed activity to document Letter of authorization compliance. Photographs must consist of a series of aerial view or ground-level view photographs that clearly depict compliance with site cleanup and restoration guidelines.

The Authorized Officer reserves the right to modify these stipulations or use additional stipulations as deemed necessary. The Grantee will be advised before any such modifications or additions are finalized. DNR has the authority to implement and enforce these conditions under AS 38.05.850. Any correspondence on this authorization may be directed to the Department of Natural Resources, Division of Mining, Land and Water, Southcentral Regional Land Office, 550 W. 7th Ave., Suite 900C, Anchorage, AK 99501-3577, (907) 269-8503.

I have read and understand all of the foregoing and attached stipulations. By signing this authorization, I agree to conduct the authorized activity in accordance with the terms and conditions of this authorization.

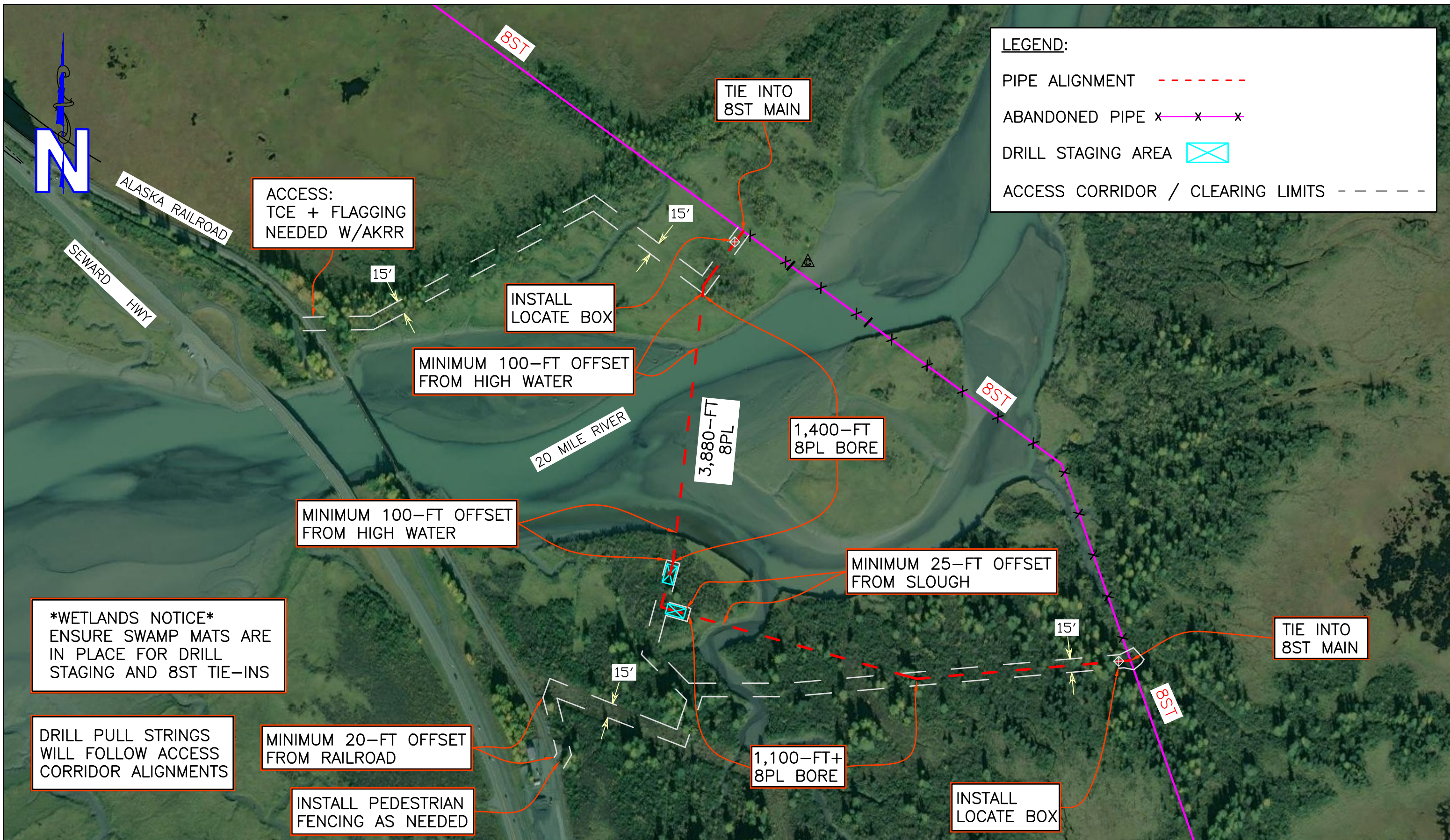
	<u>ROW & PERMITTING SUPERVISOR</u>	<u>8/18/26</u>	
Signature of Grantee or Authorized Representative	Title	Date	
<u>PO Box 190288</u>	<u>ANCHORAGE</u>	<u>AK</u>	<u>99519-0288</u>
Grantee's Address	City	State	Zip
<u>SERUNIAN LOPEZ</u>		<u>(907) 334-7911</u>	
Contact Person	Home Phone	Work Phone	
<u>Brent Reynolds</u>	<u>NRM2</u>	<u>8/18/2026</u>	
Signature of Authorized State Representative	Title	Date	

Appeal

An eligible person affected by this decision may appeal to the DNR Commissioner per AS 44.37.011 and 11 AAC 02. Any appeal must be received within twenty (20) calendar days after issuance of this decision under 11 AAC 02.040. An eligible person must first appeal a decision to the Commissioner before seeking relief in superior court. The Alaska Court System establishes its own rules for timely appealing final administrative orders and decisions of the department.

Appeals may be mailed or hand-delivered to the DNR Commissioner's Office, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska, 99501; or faxed to (907)-269-8918; or sent by electronic mail to dnr.appeals@alaska.gov. Appeals must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200.00 under the provisions of 11 AAC 05.160 (a)-(b). A copy of 11 AAC 02 is available on the department's website at <https://dnr.alaska.gov/mlw/pdf/DNR-11-AAC-02.pdf>.

Attachment A: Diagram of proposed repairs submitted by ENSTAR



LEGEND:

PIPE ALIGNMENT - - - - -

ABANDONED PIPE x — x — x

DRILL STAGING AREA [Blue Hatched Box]

ACCESS CORRIDOR / CLEARING LIMITS - - - - -

WETLANDS NOTICE
ENSURE SWAMP MATS ARE
IN PLACE FOR DRILL
STAGING AND 8ST TIE-INS

DRILL PULL STRINGS
WILL FOLLOW ACCESS
CORRIDOR ALIGNMENTS

MINIMUM 20-FT OFFSET
FROM RAILROAD

INSTALL PEDESTRIAN
FENCING AS NEEDED

ACCESS:
TCE + FLAGGING
NEEDED W/AKRR

INSTALL
LOCATE BOX

MINIMUM 100-FT OFFSET
FROM HIGH WATER

MINIMUM 25-FT OFFSET
FROM SLOUGH

TIE INTO
8ST MAIN

TIE INTO
8ST MAIN