



Department of Natural Resources Overview

House Resources Committee

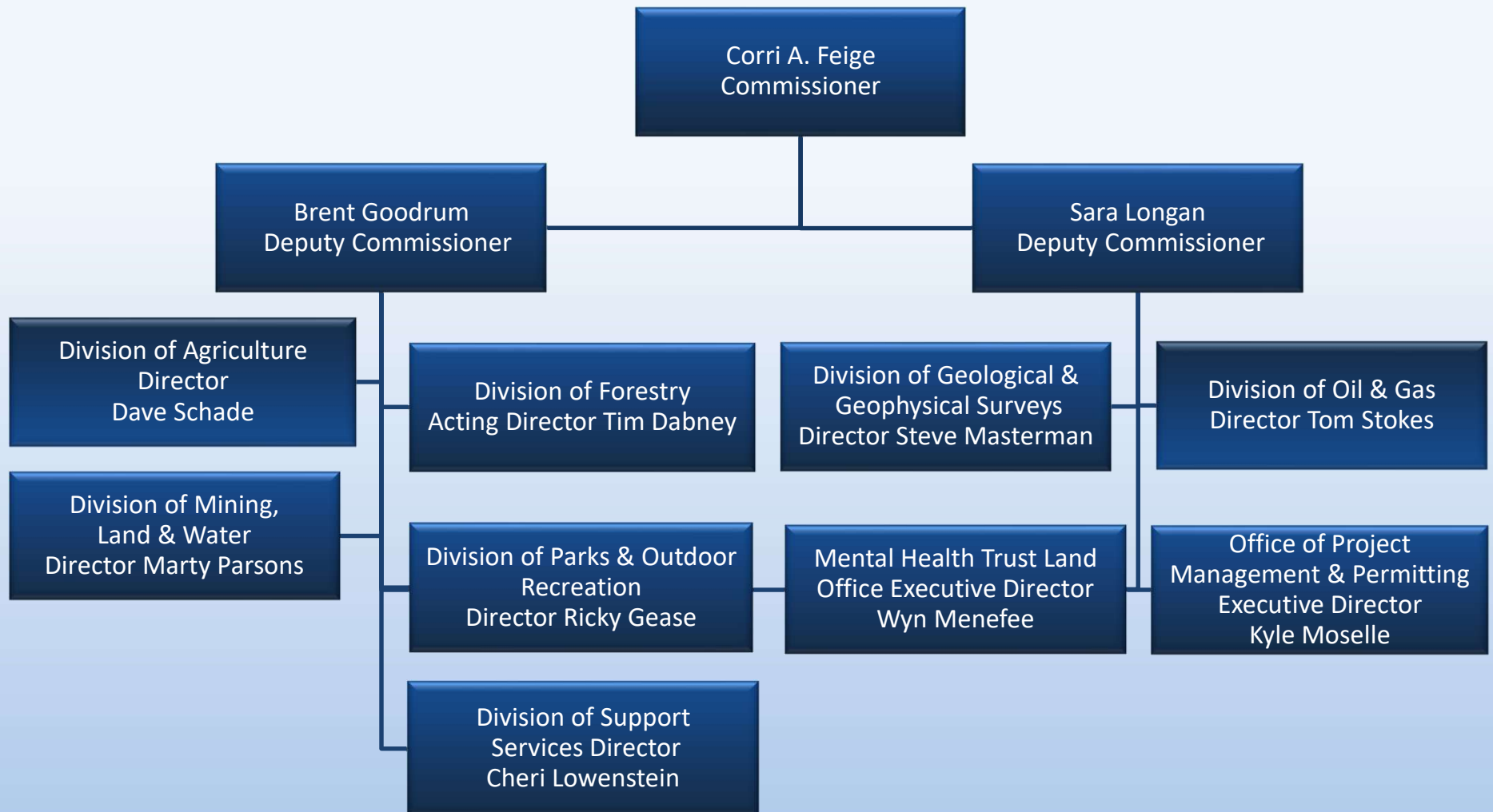
Presentation by Corri Feige, Commissioner
Brent Goodrum, Deputy Commissioner
Sara Longan, Deputy Commissioner

February 22, 2021



DEPARTMENT OF NATURAL RESOURCES

- ORGANIZATION CHART -



DIVISION OF AGRICULTURE

Mission: To promote and encourage development of an agriculture industry in the State.



- Eradicated 70 percent of *Elodea* in Alexander/ Sucker Lake complex.



- Produced 30,000 lbs. of foundation seed and cleaned 262,000 lbs. of seed for commercial growers.



- Continued soil health and variety trials; as well as bee and pest studies.

DIVISION OF AGRICULTURE



- Completed GHP / GAP, seed and phytosanitary inspections on over \$100,000,000 of Agricultural products.



- Established Industrial Hemp program.



- Revamped and improved Market and Grant Services Programs.

DIVISION OF FORESTRY

Mission: To develop, conserve, and enhance Alaska's forests to provide a sustainable supply of forest resources for Alaskans.

Forest Management and Development

- Sold 31 commercial timber sales and manages 47 million acres of forests on state land including three state forests.
- Implementation of the Forest Resources and Practices Act on private lands supported the harvest of 127.5 million bd feet of logs valued at \$124.3 million in the export markets.
- The Alaska Roadless Rule process came to conclusion with the successful removal of roadless designation on 9.3 million acres on the Tongass National Forest.
- Completed upgrades to the Vallenar Bay road (\$400.0) in support of the Good Neighbor Authority timber sale on Gravina Island, a joint timber sale project with the USFS.



DIVISION OF FORESTRY

Wildland Fire Management

- 348 fires burned 181 thousand acres as compared to last season when 2.5 million acres were blackened.
- Alaska Incident Management Teams (IMT), crews and individual resources provided much needed support to the L-48 states during their “fire year.”
- The Alaska Type I IMT deployed to CO to manage the Grizzly Ck Fire and to CA to the August Complex, the largest in the state.
- Emergency Fire Fighter (EFF) crews and individuals earned \$3.5 million in wages
- Cost recovery efforts to date in FY21 have collected \$2.1 million from parties responsible for fires.

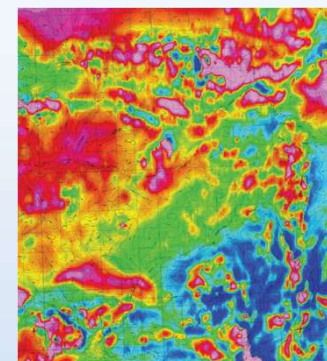


DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS

Mission: To determine the potential of Alaska land for production of metals, minerals, fuels, and geothermal resources; the locations and supplies of groundwater and construction material; and the potential geologic hazards to buildings, roads, bridges, and other installations.

Mineral Resources

- Helicopter airborne geophysical survey near Pogo flown and published
- Contracted for additional 35,000 sq km of airborne geophysical surveys
- Publications include new geologic maps and mineral resources reports for the Denali Highway, Tok River, and Mount Fairplay areas



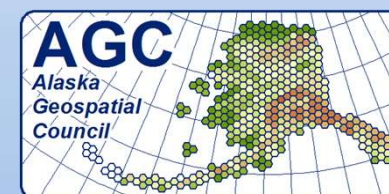
Energy Resources

- Rescheduled fieldwork to 2021 due to COVID-19
- Published reports on North Slope and Cook Inlet petroleum systems
- Released structure-from-motion data covering outcrops of the Nanushuk Formation on the North Slope and Usibelli Group in the Nenana basin



State Geospatial Program

- Hired a GIO to support inter-agency GIS coordination, which re-invigorated the Alaska Geospatial Council
- New statewide satellite imagery acquisition (50-cm resolution)
- State Geoportal launched for all agency GIS data



DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS CONT.

Engineering Geology

- Continued ASTAR sand and gravel resource analysis of western NPRA in support of community roads
- Responded to landslide events in Barry Arm and Haines
- Published erosion maps for more than 40 west coast communities.

Geologic Information

- Published 87 new geologic maps and reports, including 2,015 square miles of new geologic mapping
- Served 1.04 million data and publication files from the division's website totaling more than 32 terabytes of information

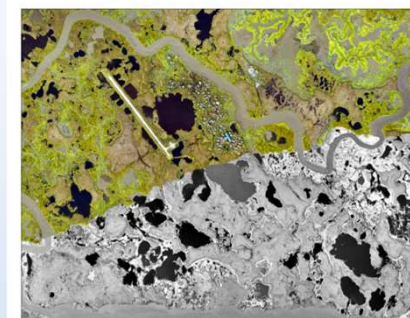
Volcanology

- Upgraded volcano monitoring instruments at 142 sites on 12 volcanoes
- Expanded and increased digital data telemetry capability at 2 receive facilities and 5 repeater sites in the Aleutians and the Alaska Peninsula
- Published 386 notices of volcanic activity describing daily observations of unrest at 8 volcanoes

Geologic Materials

- Negotiated agreement to receive >38,000 boxes of oil and gas cores from a major Alaska producer
- Reduced visitation due to COVID-19 allowed re-organization of materials

SHORELINE CHANGE AT ALASKA COASTAL COMMUNITIES
Jacquelyn R. Overbeck, Richard M. Buzard, Mark M. Turner, Katie Y. Miller, and Roberta J.T. Glenn



GEOLOGICAL & GEOPHYSICAL SURVEYS

Planned for 2021



Resource Development

- Fly three Earth MRI-funded airborne geophysical surveys in the Eastern Interior
- Complete ~2,440 sq. mi. of geologic mapping in the Eastern Interior
- Map ~750 sq. mi in the central North Slope focusing on Brookian geology
- Collaborate with the U.S.G.S. to drill two core holes in the North Slope foothills
- Publish major reports on the reservoir quality and potential of the Nanushuk Formation in NPR-A
- Conduct the first modern lake volume assessment of lakes in the 1002 Area of the ANWR

Hazards and Public Safety

- Continue upgrading volcano monitoring instruments on high threat volcanoes
- Publish tsunami inundation reports and present to communities
- Publish the first regional avalanche hazard maps for southeast and south-central Alaska.
- Establish a landslide hazards program in DGGS
- New federally funded project to boost resilience in communities facing flood and erosion hazards

Data Delivery

- Establish web services for statewide imagery data
- Increase data accessibility e.g., provide web services for stream sediment analyses in Eastern Interior
- Publish new bedrock geology maps for the Styx River and Eastern Tanacross areas

DIVISION OF MINING, LAND & WATER

Mission: Provides for the appropriate use and management of Alaska's state-owned land and water, aiming towards maximum use consistent with the public interest.

- The **Division of Mining, Land & Water (DMLW)** manages more than 160 million acres – a land base comparable in size to California and most of Oregon combined.
- DMLW supports core missions of the Department including acquiring and disposing of land and resources; providing use of and access to state lands for the public; fostering responsible development of lands; managing resource data; and protecting the State's natural resource assets consistent with the public interest.



DIVISION OF MINING, LAND & WATER

In FY2020

- Generated \$30.7M in revenues to the state through authorizations for use of state lands and waters, royalty payments, and land sales
- A total of 3,177.85 acres of municipal entitlement land was conveyed to 5 different Boroughs
- Brought in 25,087 acres of statehood entitlement lands
- Sold 194 parcels of land, totaling approximately 2,374 acres of land
- Generated \$5.6M in revenue from land sales for the Land Income Disposal Fund
- Issued the Public Review Draft of the North Slope Area Plan, a plan covering approximately 12.5 million acres of land, for an area that has never before had a regional plan developed
- With the assistance of the Alaska Army National Guard, Bus 142, made famous from the book and movie “Into the Wild,” was removed from the spot where it was abandoned off the Stampede Trail near Healy, Alaska
- Entered into a formal long-term curation Memorandum of Understanding with University of Alaska Museum of the North in Fairbanks to begin the restoration and conservation of this fascinating piece of Alaska history



DIVISION OF MINING, LAND & WATER

In FY2020 continued

- Kenny and Patti Barber Shooting Range in the Knik River Public Use Area saw over a 250% increase in users going from 15,000 in 2019 to 38,000 in 2020
- Issued a 428 mile entry authorization for the installation of GCI's Terra AU fiber optic cable project serving 11 communities between Unalaska and Kodiak Island. This project will generate \$180,000 in annual fees, with a final easement payment of \$1,200,000 of revenue for the state
- DMLW saw historic high numbers of active Applications for Permits to Mine in Alaska (552) for Placer Mining, Suction Dredging, and Hardrock Exploration
- Responded to hardships caused by COVID-19 for 177 accounts by providing \$501.4 in land sale and leasing contract fee suspensions to Alaskans and the Alaskan industry
- The aquatic farm leasing program issued 32 decisions (16 preliminary decisions and 16 final decisions) for 22 different aquatic farms.
- On the North Slope authorized 158 miles of ice roads, 68 miles of snow roads, and 53 acres of ice pads in the 2019/2020 winter season

DIVISION OF OIL & GAS

Mission: Manage lands for oil, gas & geothermal exploration and development in a fair and transparent manner to maximize prudent use of resources for the greatest benefit of all Alaskans; facilitates safe & environmentally conscious operation & maintenance of common carrier pipelines.

In FY2020

The Division of Oil and Gas (DO&G) conducts lease sales, collects royalties, authorizes oil and gas activities, and regulates common-carrier pipelines on state land.

DO&G provides commercial analysis, economic modeling, financial risk assessments, audits, and other professional services to ensure the State receives maximum value for its oil and gas resources.

- Verified and receipted \$1.0 billion in royalty, net profit share lease revenues, rents, bonus bids, unit actions, and federal payments
- Held five area-wide lease sales resulting in \$7.7M in bonus bids and more than 150,000 acres leased
- Collected \$20.5 million in lease rentals on 1,548 leases
- Issued six net profit share lease audits and one state royalty audit, collecting \$7.5 million including interest
- Expanded the boundary of the Cook Inlet sale area to include an additional 169,000 acres of leasable tracts on and around the Iniskin Peninsula
- Continued releasing seismic and well datasets for oil and gas exploration projects that received tax credits under AS 43.55.025 through the Alaska Geologic Materials Center, with fee structure covering DNR's admin costs

DIVISION OF OIL & GAS

In FY2020

- Reviewed and approved four new unit applications: Alkaid Unit, Talitha Unit, Seaview Unit, and West Harrison Bay Unit.
- Implemented online lease bidding system and successfully held its first online lease sale event.
- Administered approximately 2,000 leases and licenses, covering nearly 4.2 million acres.
- Issued 110 permits and amendments to authorize surface activities for exploration and development on State land
- Negotiated two new financial assurance agreements and amended four major financial assurance agreements with North Slope and Cook Inlet lessees to ensure dismantlement, removal, and restoration occur on the State's leased land.
- Published the final Best Interest Findings for the Beaufort Sea Areawide, the Supplement to the Cook Inlet Areawide and the preliminary finding for the Gulf of Alaska Exploration License.
- Evaluated and interpreted data for the Public 2D Seismic Data, Northern Gulf of Alaska, Katalla Area project to identify structures and potential reservoir traps.

BP & HILCORP TRANSACTION

- \$5.6B of upstream and midstream interest sale announced on August 27, 2019.
- On June 29, 2020, the commissioners of Alaska's Department of Natural Resources (DNR) and Department of Environmental Conservation approved the transfer of BP's oil and gas leases to Hilcorp as part of the \$5.6 billion sale.
- On September 21, 2020, the midstream was completed. It was determined Harvest Alaska was fit, willing, and able to take on the respective responsibilities and obligations for TAPS, Milne Pipelines, PTEP, and Badami Pipelines.
- DNR economists analyzed Hilcorp's economic models for the acquisition on the upstream and the midstream sides of the deal. The National Economic Research Association also did its own analysis of the upstream.
- Negotiated financial assurance agreements to adequately protect the State for Hilcorp and Harvest's respective upstream and midstream dismantlement, removal, and restoration (DR&R) obligations.
- Negotiated separate agreements with BP Corporation North America and BP Pipelines (Alaska) Inc for their respective secondary liability of upstream and midstream DR&R obligations.

OFFICE OF PROJECT MANAGEMENT & PERMITTING

Mission: Coordinate multi-agency regulatory reviews and authorizations, while collaboratively engaging federal agencies on land use planning and policy initiatives to maintain and enhance the state's economy, quality of life, and maximize the value of Alaska's vast natural resources.

The **Office of Project Management & Permitting (OPMP)** supports private industry, regulators, and the general public by coordinating multi-agency project reviews to secure consistent, defensible, transparent, and timely permit decisions.

This model is unique to Alaska and offers a level of assurance to the public and companies investing in Alaska that permit reviews are robust and transparent.



OFFICE OF PROJECT MANAGEMENT & PERMITTING

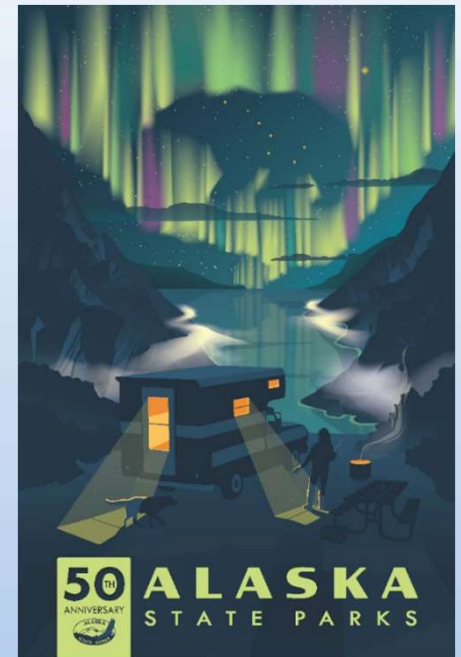
In 2020-2021

- Coordinated review, permitting and compliance activities for major projects including:
 - **Oil & Gas:** Pikka (Nanushuk), Willow Master Development Plan, Furie, AK LNG, and Point Thomson
 - **Mining:** Red Dog, Fort Knox, Greens Creek, Kensington, Pogo, Donlin, Pebble, Anarraaq-Aktiguruq, Arctic, Palmer Project, Gil, Illinois Creek, Tetlin, Nixon Fork, and Livengood
 - **Transportation:** Ambler Industrial Access Road, Alaska to Alberta Railroad
- Engaged with federal agencies to advance State interests related to federal planning including:
 - Coastal Plain Oil & Gas Leasing Program, NPR-A Integrated Activity Plan, Central Yukon Resource Management Plan (RMP), Bering Sea Western Interior RMP, Haines Amendment to the Ring of Fire RMP, and Alaska Roadless Rule for the Tongass
- Partnered with the North Slope Borough on Arctic Strategic Transportation and Resources (ASTAR) planning, including:
 - Conducted workshops with each North Slope community to listen and identify community values and infrastructure needs, and
 - Developed a strategic framework in response to needs identified by local residents

DIVISION OF PARKS & OUTDOOR RECREATION

Mission: Provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historical resources for the use, enjoyment, and welfare of the people.

- 57 percent self-funded via fees, electronic fee stations, public use cabins, admissions, reservations
- Provided an open park system embraced and heavily used by Alaskans during the COVID-19 pandemic
- Launched Alaska dedicated reservations website for passes, cabins, and camping, focusing on ease of use for public
- Issued 412 commercial permits, 259 special permits; 80-plus active & pending outdoor recreation grants
- 24 electronic fee stations save staff time, increase revenue
- Park Rangers responded to 60-plus Search and Rescues
- Office of Boating Safety's 92 classes, 23 pool sessions reached 3,393 youth; 204,290 to date
- Office of History & Archaeology's State Historic Preservation Office reviewed 2086 projects, signed 14 major agreements



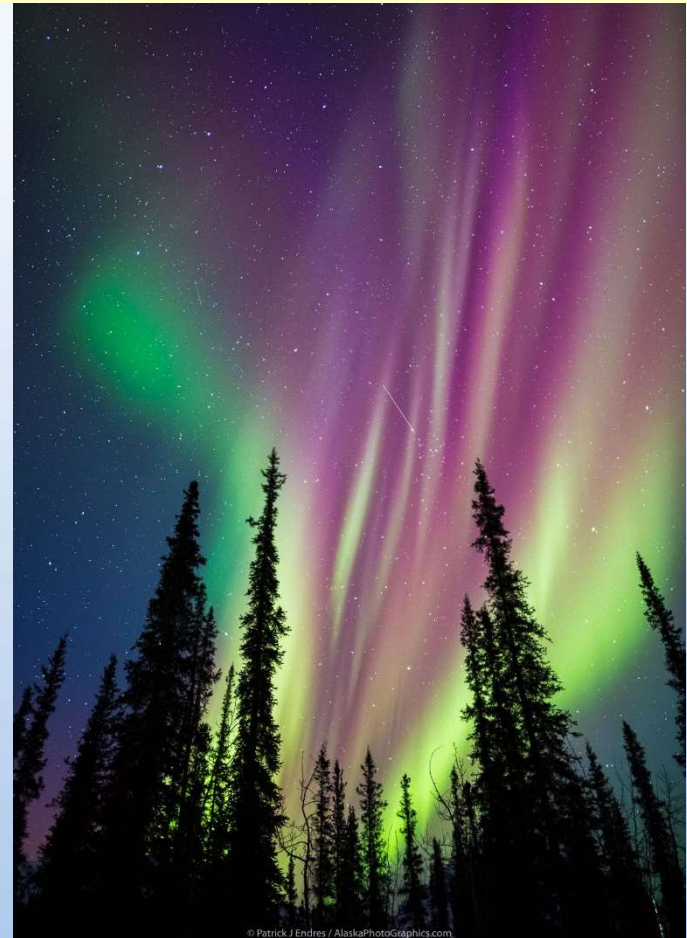
SUPPORT SERVICES DIVISION

Mission: Provide client-focused, efficient and cost-effective financial, budget, procurement, human resource, information technology and recording services to the Department of Natural Resources and the public.

- Successfully served our customers during the pandemic by creating and improving processes.
- Records Office increased eRecordings and retained services levels with an overall increase in revenue.

Numbers by Fiscal Year:

- FY2019 - \$4,503,083
 - FY2020 - \$5,438,244
 - FY2021 - \$3,579,484 (1/2 way through year)
- Continue to work with DOA to consolidate procurement and human resources to ensure a smooth and stable transition that will bring standardized processes across all agencies.



TRUST LAND OFFICE

Mission: Protect and enhance the value of Alaska Mental Health Trust Lands, including minerals, coal, oil and gas, timber and real estate, while maximizing revenue from those lands over time to support mental health services.

Generating revenue for the Alaska Mental Health Trust to improve lives of its beneficiaries

- Generated \$11.5 M to fund programs for ~85,000 Alaska Mental Health Trust beneficiaries
- Completed sale of 3-acre Juneau Subport parcel for \$20 million (included in FY21)
- Completed Phase 2A of the USFS/Trust land exchange and sold timber from those lands
- Viking Lumber harvested 13.4 mmbf of timber at Naukati generating \$1.8 million in FY20
- Sealaska completed the Icy Cape timber harvest in FY20 generating \$3.7 million from the sale



TRUST LAND OFFICE



Initiatives

- Created new online commercial leasing program
- Created new exclusive access permit program for professional hunting guides
- Created new online general permit for certain uses of Trust land

Coming in FY2021

- Finish Phase 2B of the USFS Land Exchange
- Further Exploration of Icy Cape Mineral Project

COMMISSIONER'S OFFICE

- Reducing backlog of administrative appeals – adjudicated 52 in 2019.
- Actively promoting Alaska resources to global investors.
- Enhanced federal engagements to further assertion of state's authority over submerged lands and RS2477 protection.
- Working effectively with other resource agencies to ensure protection of State's rights and assertion of rights under ANILCA



QUESTIONS?



THANK YOU!

