

**State of Alaska
Department of Natural Resources
Joint Pipeline Office
411 West 4th Avenue, Suite 2C
Anchorage, Alaska 99501**

**Commissioner's Final Written Determination
Kuparuk Extension Pipeline Right-of-Way Lease Renewal and Amendment
ADL 409027**

ACTION:

The State of Alaska, Department of Natural Resources renews the Kuparuk Extension Pipeline Right-of-Way Lease for a term of 30 years.

BACKGROUND:

On April 18, 1983, the State of Alaska executed the Kuparuk Extension Pipeline Right-of-Way Lease (Lease) authorizing the construction and operation of the Kuparuk Extension Pipeline System across state land. The Lease, issued under the authority of AS 38.35.010 - 260 (the "Right-of-Way Leasing Act"), provides a term of 30 years, subject to a right of renewal in accordance with the requirements of AS 38.35.110. The Lease will expire on May 2, 2004, if not renewed or in the process of renewal by that date.

The procedures for renewal of an AS 38.35 pipeline right-of-way lease are set out in 11 AAC 80.065 - 085. On February 11, 2002, the Kuparuk Extension Pipeline (Lessee) submitted an application for renewal of the Lease, thus providing the minimum two years for processing required by 11 AAC 80.065. The State Pipeline Coordinator's Office (SPCO) published the required public notices of the application on February 27 and 28, 2002, and has undertaken the in-depth review of Lessee's compliance with state laws, regulations, and terms of the lease required for approval of lease renewal under AS 38.35.110.

The Commissioner signed a proposed written determination on July 12, 2002 recommending renewal of the lease for 30 years.

In conformance with 11 AAC 80.085, the Lessee was provided with a copy of the written determination, the written determination was available, upon request, to the public at cost and written comments were solicited with the comment period ending on August 22, 2002 at 5:00 p.m. A public hearing (with teleconferences to Nuiqsut, Alaska and Kaktovik, Alaska) was held in Barrow, Alaska, during the public comment period. Comments submitted during the comment period have been considered and do not warrant revision to the July 12, 2002, Proposed Determination.

DETERMINATION:

The proposed written determination dated July 12, 2002, is the final determination. It is my decision to renew the right-of-way lease for a term of 30 years from the end of the respective term, May 2, 2004. This is the final agency determination. To the extent judicial review is permitted by AS 38.35.200, the determination is appealable within 30 days to the superior court pursuant to Part VI of the Rules of Appellate Procedure.

Pat Pourchot, Commissioner
Alaska Department of Natural Resources

Date