STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
STATE PIPELINE COORDINATOR’S OFFICE

COMMISSIONER’S FINAL FINDING AND DECISION

POLAR NATURAL GAS PIPELINE
RIGHT-OF-WAY LEASE, ADL 419237

**Action:** The Commissioner of the State of Alaska, Department of Natural Resources, pursuant to AS 38.35.110, proposes to award an AS 38.35 pipeline Right-of-Way (ROW) Lease to Polar LNG, LLC, to construct and operate a 3.5-mile long natural gas pipeline in Prudhoe Bay (Deadhorse).

**Authority:** AS 38.35 - Right-of-Way Leasing Act.

**Background:** The State Pipeline Coordinator’s Office (SPCO) published notice of the amended AS 38.35 Right-of-Way application on April 13, 2012. The amended application was noticed per AS 38.35.070 for 60 days. Per AS 38.35.200, the public notice solicited objections from an applicant or competing applicant or a person who has direct financial interest affected by the lease. On August 15, 2013, the SPCO published notice, per AS 38.35.070, of the Commissioner’s Analysis and Proposed Decision on the Polar Natural Gas Pipeline. The public notice comment period for the Analysis and Proposed Decision ran from August 15 to September 16, 2013 and was extended to end on October 3, 2013, at 5:00 p.m.

**Discussion:** Four comments were received during the public notice of the Commissioner’s Analysis and Proposed Decision. (See attachment for summary and the department’s response). None of the comments received resulted in changes to the published Analysis and Proposed Decision and no changes were made to the published Draft Right-of-Way Lease.

As demonstrated in the Commissioner’s Analysis and Proposed Decision, the applicant was determined to be fit, willing and able to construct, operate and maintain a natural gas pipeline, as proposed in their application. Granting a pipeline right-of-way lease for the proposed project is consistent with the State’s Constitution and goal to responsibly develop resources by making them available for maximum use consistent with public interest. The project was determined to have little impacts on the existing uses of the land. Potential impacts from construction, maintenance, and operation of the Polar Natural Gas Pipeline will be mitigated through the accepted design, which considered safety, the environment and pipeline integrity, and through the covenants, conditions and stipulations of the right-of-way lease.

**Final Finding and Decision:** The finding presented has been reviewed and considered. Public notice has been accomplished in accordance with applicable Alaska statutes and codes. No changes were made to the Commissioner’s Analysis and Proposed Decision. The case file has been found to
be complete and the requirements of all applicable statutes have been satisfied. The proposed actions are consistent with constitutional and statutory intent for state land. I find that the applicant is fit, willing and able and therefore grant a Right-of-Way lease for the Polar Natural Gas Pipeline to Polar LNG, LLC.

**Determination:** I have reviewed the administrative record of this process, which includes information cited and relied upon in the August 14, 2013 Commissioner’s Analysis and Proposed Decision and the public comments and responses thereto. Based on this review, the decision reached in the Commissioner’s Analysis and Proposed Decision is not revised. It is determined that the applicant is fit, willing and able to construct, operate and maintain a natural gas pipeline and related LNG facility, as proposed in their application and in a manner that will be required by the present or future public interest. Therefore, I grant a Right-of-Way Lease for the Polar Natural Gas Pipeline to Polar LNG, LLC for a period of 30 years. This is the final agency determination.

\[Signature\]
Date: 10/11/13

Joseph R. Balash
Acting Commissioner
State of Alaska
Department of Natural Resources

Attachment: Comment Summary and Department Responses