

MEMORANDUM OF UNDERSTANDING
between the
Alaska Department of Natural Resources
and the
North Slope Borough

I. INTRODUCTION AND PURPOSE

This memorandum describes the terms of an understanding between the Alaska Department of Natural Resources and the North Slope Borough relating to coordination of authorization and permitting activity for oil and gas exploration and production on the North Slope of Alaska.

It is entered into for DNR by the Commissioner pursuant to AS 38.05.020; and for the North Slope Borough by the Mayor, pursuant to sections 2.030 and 5.010 of the Charter of the North Slope Borough as well as Section 19.05.030(A)(2) of the North Slope Borough Municipal Code.

This understanding has been reached on the basis of the following shared conclusions, which should be used as a guide to interpreting the terms of this memorandum:

1. The State of Alaska and the North Slope Borough have an interest, recognized in Article VIII of the Alaska Constitution in responsibly developing the petroleum resources on the North Slope, including resources found on state land, federal land, and land conveyed under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*).
2. The State of Alaska and the North Slope Borough recognize the value of enhanced collaboration, communication, and coordination in the review of exploration and development projects.
3. Responsible resource development has provided many benefits to the State and the Borough including increased revenue and employment.
4. At the same time, petroleum exploration and production activity create impacts which disproportionately affect local populations.
5. To ensure that this exploration and production activity is conducted responsibly, entities involved in petroleum exploration and development are required to obtain a variety of permits or authorizations from numerous federal, state and local agencies.
6. When reviewing or requesting information relating to these permits and authorizations, coordination among all agencies involved increases the effectiveness of this matrix of authorizations and reduces its burden on applicants.

7. The Office of Project Management & Permitting of DNR has demonstrated an ability to effectively coordinate this permitting and authorization activity across federal, state, and local agencies.
8. Further coordination between DNR and the Borough of this regulatory activity, and cooperation in adjudication of applications for permits or authorization, may create additional benefits for the State of Alaska, the Borough, and for applicants.
9. In addition, this Memorandum of Understanding encourages cooperation between DNR and the Borough on issues of common interest that extend beyond efficient permitting and coordination.

Having reached these conclusions, DNR and the Borough agree to the following Definitions, Resolutions, and Miscellaneous Provisions to the extent consistent with Alaska law, the powers and responsibilities of the Department of Natural Resources under AS 38.05, and the Mayor of the North Slope Borough under sections 2.030 and 5.010 of the Charter of the North Slope Borough.

II. DEFINITIONS

1. "DNR" means the Alaska Department of Natural Resources and includes any office or division within the Department of Natural Resources that can authorize or permit Project Activity under the law of the State of Alaska.
2. "Borough" means the North Slope Borough and includes any office, department or other subdivision of the North Slope Borough that can authorize or permit Project Activity under the law of the State of Alaska and the North Slope Borough.
3. "OPMP" means the Office of Project Management and Permitting of the Alaska Department of Natural Resources.
4. "Commissioner" means the Commissioner of the Alaska Department of Natural Resources.
5. "Mayor" means the Mayor of the North Slope Borough.
6. "Project Activity" means any North Slope petroleum exploration or development activity that requires application for a permit or other authorization that may be coordinated through the OPMP under Alaska law.
7. "Pre-filing procedures" means discussions between the applicant and permitting agencies, or consultation with permitting agencies in advance of filing, to the extent permitted under Alaska law and the Municipal Code of the North Slope Borough.
8. "Writing" includes e-mail and facsimile.

III. RESOLUTIONS

1. The DNR Commissioner and the Borough Mayor and/or their representatives, as appropriate, will meet quarterly according to a mutually agreed schedule to discuss issues of concern. Each year, two of these quarterly meetings will be held in Barrow.
2. The Borough and DNR will encourage applicants who seek to engage in Project Activity to use processes established by the OPMP.
3. The Borough and DNR will encourage applicants to use pre-filing procedures to identify issues early in the regulatory process.
4. To the extent permissible under any statute, regulation, or agreement relating to confidentiality, the Borough and DNR will share information and data submitted by applicants relevant to the approval or permitting processes of each agency for Project Activity.
5. Coordination calls will be held at least monthly between the OPMP and the Borough. The Mayor will identify the departments of the Borough to participate in coordination calls. The OPMP will propose a written agenda at least one week in advance of each call to the Borough. The Borough may propose additions to the agenda provided that any additions are proposed in writing at least 48 hours prior to each call.
6. The Director of the OPMP and the Director of the Borough's Department of Planning and Community Services will each identify personnel to participate in a working group. This working group will discuss ways to further streamline the approval process of Project Activity and avoid duplication of effort or other waste and inefficiency. The working group will report on its findings to the Director of the OPMP and to the Director of the Borough's Department of Planning and Community Services.

IV. MISCELLANEOUS PROVISIONS

1. Where notice is to be given under this Memorandum of Understanding, or where written communication is required, it may be sent to DNR through the Director of the OPMP and to the Borough through the Director of the Department of Planning and Community Services.
2. Either party to this agreement may withdraw at any time by providing a 60-day written notice.
3. This Memorandum of Understanding may be modified by the parties through a mutually agreed written amendment.

4. This Memorandum of Understanding shall not be construed to require DNR or the Borough or any other state or municipal agency to expend additional funds or otherwise commit to actions that will require additional funding.
5. This Memorandum of Understanding does not create any legal or equitable rights enforceable by any third party.
6. This Memorandum of Understanding is effective on the date that it is last signed below.
7. This Memorandum of Understanding will terminate in two years unless modified by the parties through a mutually agreed written amendment.

Agreed to on this 28th day of July, 2012.

For the Department of Natural Resources



David J. Lull

For the North Slope Borough



Charlotte Broder