



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Alaska Oil and Gas Conservation Commission

333 West Seventh Avenue  
Anchorage, Alaska 99501-3572  
Main: 907.279.1433  
Fax: 907.276.7542  
[www.aogcc.alaska.gov](http://www.aogcc.alaska.gov)

May 21, 2026

Sent via Email

Mr. David Knutson  
Sr. Director of Lands and Natural Resources  
Arctic Slope Regional Corporation  
3900 C Street, Suite 801  
Anchorage, AK 99503

Re: AOGCC Response to Written Comments  
Notice of Intent to Apply for Class VI Primacy

Dear Mr. Knutson:

Thank you for submitting your written comments to the Alaska Oil and Gas Conservation Commission (AOGCC) in response to the Notice of Intent to Apply for Class VI Primacy (Notice). The hearing was held on May 14, 2026. As was stated in the Notice, AOGCC is intending to apply for Class VI primary enforcement authority (Primacy) from the United States Environmental Protection Agency (EPA) as a new well Class within the Underground Injection Control (UIC) program.

AOGCC's responses to your specific comments are addressed below, but AOGCC will first address amalgamation (i.e. compulsory pore space unitization) generally in the context of its Class VI primacy application. While EPA's Class VI rules establish the minimum federal requirements necessary for a state to obtain primacy under the Underground Injection Control (UIC) program, there are not specific federal requirements regarding amalgamation for Class VI primacy. Rather, the AOGCC's authority to amalgamate pore space property interests derives from AS 41.06.140 and 20 AAC 25.1085 and is a matter of Alaska state law.

Accordingly, Alaska's primacy application is not dependent on EPA requiring amalgamation authority. Rather, the proposed regulations implementing AS 41.06.140 are intended to carry out authorities enacted by the Alaska Legislature in connection with carbon storage development within the State. EPA's review of Alaska's primacy application is focused on whether the State's Class VI program meets or exceeds the federal UIC requirements for protection of underground sources of drinking water.

**1. Carbon Capture, Utilization and Storage (CCUS) amalgamation is fundamentally different from oil & gas unitization because CCUS may permanently occupy pore space and create indefinite obligations (III.A)**

*AOGCC recognizes that carbon storage projects differ from traditional oil and gas development in several respects, including the long-term nature of storage operations and post-injection stewardship requirements. The regulations are intended to implement the statutory framework enacted by the Alaska Legislature while ensuring that project-specific technical, monitoring, and financial assurance requirements are evaluated through the permitting process. 20 AAC 25.1085 allows addressing amalgamation concerns in pre-permit consultation and provides a public comment period. AOGCC's mission and past practice is that the commission would work with all interested parties and require a robust demonstration that amalgamation, or any other action, will not adversely affect existing or future mineral interests.*

**2. CCUS creates uncertain long-term liability exposure for nonconsenting landowners (III.A)**

*AOGCC acknowledges stakeholder concerns regarding long-term liability, post-injection site care, and corrective action obligations associated with carbon storage projects. The Class VI regulatory framework includes requirements for financial responsibility, monitoring, corrective action, and post-injection site care intended to ensure protection of underground sources of drinking water and provide regulatory oversight throughout the life of a project. AOGCC implemented AS 41.06.140 Amalgamating Property Interests by regulation 20 AAC 25.1085. ASRC as a surface and subsurface landowner will determine its own carbon leasing requirements similar to Alaska DNR's carbon storage leasing program which recently became effective. If applicable, surface and subsurface owners and affected parties will receive notice and opportunity to comment during an AOGCC carbon storage facility permit public comment and review period.*

**3. Nonconsenting owners may be impacted through restrictions on future land and mineral use (III.A)**

*AOGCC recognizes the importance of protecting existing and future resource development opportunities. Proposed Class VI permitting reviews will include evaluation of the storage reservoir, confining zones, and other subsurface resources to minimize conflicts with existing or future mineral development to the extent required under applicable statutes and regulations. If applicable, surface and subsurface owners and affected parties will receive notice and opportunity to comment during an AOGCC carbon storage facility permit public comment and review period.*

**4. CCUS framework lacks guaranteed economic balance or compensation comparable to oil & gas unitization (III.B)**

*AOGCC notes that issues regarding compensation, leasing terms, and economic arrangements between private parties are generally governed by statute, contract, and property law rather than the Class VI permitting process itself. AOGCC's role is limited to implementing the authorities established by the Legislature and ensuring compliance with applicable regulatory requirements.*

**5. AOGCC should apply a strict “good faith efforts” standard before amalgamation (IV.1)**

*AOGCC anticipates that any future application of AS 41.06.140 and 20 AAC 25.1085 would require applicants to demonstrate compliance with statutory and regulatory requirements, including documentation of efforts to engage affected property owners as required by adopted regulations. As currently written in state statutes and regulations, a nonconsenting property owner would be heard at the leasing phase, and as AOGCC processes an application for a potential carbon storage facility permit.*

**6. AOGCC should require demonstration that amalgamation will not adversely affect future mineral interests (IV.2)**

*AOGCC agrees that protection of existing and future mineral interests is an important consideration during project evaluation. Proposed Class VI applications will undergo technical review to evaluate geologic suitability, reservoir containment, and potential interactions with other subsurface resources consistent with statutory authority and regulatory requirements.*

**7. AOGCC should favor consent-based projects during early program implementation (IV.3)**

*AOGCC recognizes the value of voluntary, consent-based project development and expects applicants to work collaboratively with affected stakeholders throughout project planning and permitting. AOGCC encouraged all surface and subsurface owners and interested parties to participate in the regulations drafting process.*

**8. AOGCC should exercise restraint because amalgamation authority is discretionary and not required for primacy (IV.4)**

*AOGCC’s inclusion of regulations implementing AS 41.06.140 reflects statutory authorities enacted by the Legislature. Whether and how those authorities may apply to a future project would depend on the facts and circumstances of a specific application and applicable regulatory standards. AOGCC acknowledges the comment regarding the relationship between amalgamation authority and EPA Class VI primacy. The adopted regulations implement Alaska statutory authorities related to carbon storage in addition to meeting federal Class VI program requirements.*

Sincerely,

**Thomas  
W McKay**

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Thomas W McKay  
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Thomas W. McKay  
Chair, Commissioner

**Jessie L.  
Chmielowski**

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Jessie L. Chmielowski  
Date: 2026.05.21  
12:38:29 -08'00'

Jessie L. Chmielowski  
Commissioner

**Gregory C Wilson**

Digitally signed by Gregory C Wilson  
Date: 2026.05.21 14:25:56 -08'00'

Gregory C. Wilson  
Commissioner