

May 14, 2026

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By Samantha Coldiron at 10:06 am, May 14, 2026

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Alaska Oil & Gas Conservation Commission
Attn: Proposed Class VI program application
AOGCC
333 West Seventh Avenue
Anchorage, AK 99501

Submitted electronically at: aogcc.ccus@alaska.gov

Re: Arctic Slope Regional Corporation comments on the proposed Class VI Program application

Dear Commissioners,

Arctic Slope Regional Corporation (“ASRC”) appreciates the opportunity to provide comments on the Alaska Oil and Gas Conservation Commission’s (“AOGCC”) application for Class VI Underground Injection Control (“UIC”) primacy. These comments are intended to supplement ASRC’s prior comments submitted on November 7, 2024, regarding AOGCC’s regulations implementing House Bill 50 (“HB 50”), specifically as they relate to amalgamation of property interests without unanimous consent under AS 41.06.140.

ASRC supports Alaska’s pursuit of Class VI primacy and recognizes carbon storage as an emerging opportunity for economic development in Alaska. However, the authority to compel aggregation of subsurface and pore-space interests under AS 41.06.140 raises fundamental concerns for joint landowners that warrant additional scrutiny and restraint, particularly when compared to Alaska’s long-standing approach to oil and gas development from jointly owned subsurface estates.

I. Background

ASRC is a for profit Alaska Native regional corporation formed pursuant to the Alaska Native Claims Settlement Act and holds title to approximately five million acres of surface and subsurface lands on the North Slope. These lands are the ancestral lands of the Iñupiat people and are central to the economic and cultural well-being of our Iñupiat shareholders.

ASRC has been actively engaged in evaluating carbon capture and storage (“CCS”) opportunities and supports thoughtful development of this emerging industry. Nevertheless, because CCS involves new technical, legal, and long-term stewardship considerations, the regulatory framework governing such projects must proceed cautiously, particularly where landowner consent is absent.

II. Amalgamation under AS 41.06.140 Is Not Equivalent to Oil and Gas Unitization

Alaska has decades of experience managing oil and gas production from jointly owned reservoirs through unitization and related conservation authorities. Those authorities developed in response to well-understood circumstances and reflect a carefully balanced framework.

In contrast, AS 41.06.140 applies compulsory aggregation concepts to an activity that differs in material respects from oil and gas development.

Oil and gas unitization:

- Facilitates extraction of a finite resource;
- Provides nonconsenting owners a proportionate share of production and revenue;
- Operates within a mature legal and regulatory framework;
- Involves known and time-limited abandonment and reclamation obligations.

Carbon storage amalgamation, by contrast:

- Envisions permanent occupation of subsurface pore space;
- May encumber lands indefinitely through deed restrictions and monitoring obligations;
- Does not ensure nonconsenting owners receive compensatory revenue; and
- Operates within an immature legal framework with unresolved long-term liability questions.

The statutory analogy between oil and gas unitization and carbon storage amalgamation is therefore structural, not substantive, and should not be treated as interchangeable.

III. Heightened Concerns for Joint Landowners

ASRC is particularly concerned about the effect of amalgamation authority on joint surface and subsurface owners who do not consent to participation in a CCS project.

A. Long-Term and Uncertain Liability

Carbon storage introduces novel liability pathways that extend beyond the operational life of a project. Post-injection site care, corrective action, and monitoring obligations may continue for decades, and the terms under which long-term responsibility is transferred to the State remain largely untested.

For nonconsenting landowners, amalgamation raises serious questions regarding:

- Exposure to residual liability;
- Impacts on future land and mineral use;
- Interaction with subsistence resources and community infrastructure.

These risks are fundamentally different from those historically associated with oil and gas development.

B. Absence of Defined Economic Balance

Unlike oil and gas unitization, AS 41.06.140 does not provide a clear economic offset for compulsory inclusion. Nonconsenting owners may bear long-term risk without a guaranteed revenue stream or meaningful control over project design and operation.

This imbalance weighs strongly in favor of restraint when considering compulsory amalgamation.

IV. Need for Elevated Standards and Regulatory Restraint

ASRC continues to urge AOGCC to apply heightened standards before exercising amalgamation authority under AS 41.06.140, particularly in the early years of Alaska’s Class VI program.

At a minimum, ASRC recommends that AOGCC:

1. Apply a strict and clearly articulated standard for “good faith efforts” to obtain unanimous consent, supported by substantial evidence and meaningful engagement with all affected owners;
2. Require a robust demonstration that amalgamation will not adversely affect existing or future mineral interests, recognizing Alaska’s history of new discoveries in previously undervalued formations;
3. Favor consent-based projects during initial program implementation, allowing operational experience and best practices to develop before resorting to compulsory tools; and
4. Exercise explicit restraint, recognizing that the authority to amalgamate is discretionary and not required to achieve Class VI primacy or program approval by EPA.

Such an approach is consistent with both HB 50 and the Safe Drinking Water Act and is essential to maintaining landowner trust as Alaska develops its carbon storage framework.

V. Conclusion

Carbon storage represents a significant and promising opportunity for Alaska. However, the success of CCS on the North Slope depends on careful alignment between regulatory authority and landowner rights.

AS 41.06.140 adopts the form of oil and gas unitization, but not its historical balance of risks, benefits, and temporal limits. For joint landowners, compulsory amalgamation for CCS presents permanent and uncertain consequences that justify greater scrutiny and a cautious, consent-first approach by AOGCC.

ASRC respectfully urges the Commission to incorporate these considerations into its Class VI primacy program and to continue working collaboratively with landowners as Alaska moves forward in this emerging regulatory space.

Thank you for the opportunity to provide these comments.

Respectfully submitted,

ARCTIC SLOPE REGIONAL CORPORATION

A handwritten signature in blue ink, appearing to read 'D. Knutson', with a stylized flourish at the end.

David Knutson - Sr. Director of Lands & Natural Resources