



November 19, 2020

Alaska Oil and Gas Conservation Commission
Jeremy M. Price, Chair, Commissioner
333 West 7th Avenue
Anchorage, Alaska 99501

RE: 20 AAC 25.025
Proposed changes dealing with Bonding

Dear Commissioner Price,

Amaroq Resources, LLC (“Amaroq”) offers the following comments in response to the NOTICE OF PROPOSED CHANGES ON BONDING IN THE REGULATIONS OF THE ALASKA OIL AND GAS CONSERVATION COMMISSION issued October 15, 2020.

Amaroq continues to be supportive of AOGCC’s efforts to adopt regulations on bonding that give consideration to unique circumstances facing each operator. However, the proposed revised wording continues to fail to recognize a State of Alaska Department of Natural Resources Dismantlement, Removal and Restoration Agreement (DR&R) that requires an operator to fund the estimated well plugging and abandonment (P&A) costs in addition to surface reclamation costs. We implore the Commission to find a way to coordinate its bonding requirements with the DNR in such a way as to avoid duplicative financial coverage for plugging and abandonment.

Increasing the annual installments from 4 years to 7 years is a positive step; however, the benefit to Amaroq is marginal given the \$500,000 minimum for the first installment. Amaroq’s ability to make the first installment would be questionable.

Thank you for the opportunity to provide comments.

Sincerely,

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G. Scott Pfoff – President
Amaroq Resources, LLC

xc: Jessie Chmielowski - Commissioner
Dan Seamount - Commissioner
Jody Colombie - AOGCC Special Assistant