

# Meeting Agenda



Trust  
Land Office

**Meeting:** Resource Management Committee  
**Date:** January 22, 2026  
**Time:** 8:30 am – 12:00 pm  
**Location:** Trust Authority Building, 3745 Community Park Loop, Anchorage, AK 99503  
**Teleconference:** [Zoom Link](https://us02web.zoom.us/j/84261839319); Meeting ID: 842 6183 9319; Passcode: 907  
Call-in number +1 669 444 9171; [alaskamentalhealthtrust.org](https://alaskamentalhealthtrust.org)  
**Trustees:** Corri Feige (Chair), Josie Hickel, Anita Halterman, Brent Fisher (ex-officio)

Thursday, January 22, 2026

		<u>Page</u>
<b>8:30am</b>	<b>Call to Order (Corri Feige, Chair)</b> Roll Call Announcements Approval of Agenda Ethics Disclosure Approval of Minutes – RMC; <a href="https://alaskamentalhealthtrust.org">October 16, 2025</a>	
<b>8:35am</b>	<b>Executive Director Report</b> • Jusdi Warner, Executive Director	handout
<b>8:50am</b>	<b>Icy Cape Update</b>	handout
<b>9:00am</b>	<b>Fort Knox (Executive Session)</b> Executive Session – (if necessary) In accordance with the Open Meetings Act, AS 44.62.310(c)	
<b>9:45am</b>	<b>Personnel Matters</b> Executive Session – (if necessary) In accordance with the Open Meetings Act, AS 44.62.310(c)	
<b>10:30am</b>	<b>Break</b>	
<b>10:45am</b>	<b>Consultations</b> • Land Exchange, City and Borough of Wrangell • FY2027-2032 Parcel Inventory for Statewide Land Sale • AO 360 Proposed Regulation Changes • MHT 9400930 – 8 Star Alaska, LLC – Non-Exclusive Term Easement • MHT 9300103 – Hillcorp Alaska, LLC – Negotiated Oil & Gas Lease	2 12 31 37 43
<b>12:00pm</b>	<b>Adjourn</b>	



**To:** Corri Feige, Chair  
Resource Management Committee  
**Through:** Jusdi Warner, Executive Director  
**From:** Jeff Green, Deputy Director  
**Date:** 1/22/2026  
**Re:** City and Borough of Wrangell Land Exchange  
**Fiscal Year:** 2027-2028

## Consultation

### Proposed RMC Motion:

*"The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the decision to exchange Trust parcels located in and around Wrangell with the City and Borough of Wrangell in a value for value land exchange of up to \$1,650,000. Parcel(s) received by the Trust will be disposed of through the Trust's competitive or over the counter land sale programs."*

### Background:

**Revenue Projections:** Principal \$1,650,000.00 Income \$500,000

**Transaction/Resource:** The proposed action is to complete a land exchange with the City and Borough of Wrangell (CBW) in a value for value exchange up to \$1,650,000. The CBW has offered a waterfront parcel in their ownership appraised at \$1,650,000 in exchange for several Trust owned parcels adjacent to CBW owned parcels, projects, or infrastructure. The parcel received by the Trust will be subdivided and disposed of through the Trust's competitive or over-the-counter land sale programs.

**Trust Property Descriptions – Legal Descriptions/MH Parcel(s)/Acreage/Valuations:** Trust parcels identified for potential inclusion in the land exchange are:

1. A portion of Trust parcel CRM-2454, containing 73.05 acres, appraised for \$430,000 and located in Sections 8 & 17, Township 63 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

**Lot 2 of Trust Land Survey No. 2018-10, W-2 and W-3 Subdivision, containing 73.05 acres, more or less, according to the survey plat recorded in the Wrangell Recording District on May 26, 2020, as Plat No. 2020-5.**

2. A portion of Trust parcels CRM-2528 & CRM-2529, containing 20.18 acres, appraised for \$400,000 and located in Sections 5 & 6, Township 64 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

**Lot 5 of Trust Land Survey No. 2018-11, W-4 Subdivision, containing 20.18 acres, more or less, according to the survey plat recorded in the Wrangell Recording District on May 4, 2020, as Plat No. 2020-4.**

3. Trust parcel CRM-2400-10, containing 8.148 acres, appraised for \$81,000, and located in Sections 19 & 30, Township 62 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

**Tract B of Alaska State Land Survey No. 84-83; containing 8.148 acres, more or less, according to the survey plat filed in the Wrangell Recording District on January 30, 1986 as plat 86-1.**

4. Trust parcel CRM-2405-05, containing 133.166 acres, appraised for \$535,000, and located in Sections 19, 29 & 30, Township 62 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

**Tract C of Alaska State Land Survey No. 84-83; containing 133.166 acres, more or less, according to the survey plat filed in the Wrangell Recording District on January 30, 1986 as plat 86-1.**

5. A portion of Trust parcel CRM-2400-11, containing 52.82 acres, appraised for \$535,000, and located in Sections 30 & 31, Township 62 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

**Tract A-1 of Tank Subdivision; containing 52.82 acres, more or less, according to the survey plat filed in the Wrangell Recording District on May 1, 2012 as plat 2012-1.**

6. Trust parcel CRM-2530, containing 4.73 acres, appraised for \$175,000, and located in Section 6, Township 64 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

**Lot 6 of US Survey No. 3709; containing 4.730 acres, more or less, according to the survey plat accepted by the United States Department of the Interior, Bureau of Land Management in Washington, D.C. on May 26, 1961.**

## **City and Borough of Wrangell Property Description – Legal Description / Acreage / Valuations:**

1. Borough Parcel No. 01-008-100, containing 27.556 acres, appraised for \$1,650,000 and located in Sections 20 & 29, Township 62 South, Range 84 East, Copper River Meridian, Alaska and more particularly described as:

**Lot 5A of Spur Road Subdivision, containing 27.556 acres, more or less, according to the survey plat filed in the Wrangell Recording District on October 30, 1998 as Plat 98-13.**

**General Background:** In January of 2025, the TLO and the CBW signed a Memorandum of Understanding to coordinate their efforts to achieve cost-effective use of shared and complementary resources to further mutual goals. As a result of this partnership the CBW approached the TLO and proposed a value for value land exchange that would be focused on collaboration and cooperation to advance the mission and objectives of both organizations through shared land development efforts by exchanging parcels that would be better suited to be owned and/or developed by the other organization. Throughout the summer and fall of 2025, TLO and CBW staff have worked to identify and select suitable parcels that will help both organizations advance their mandates. In the case of the Trust's parcels, these are parcels that present development challenges and are adjacent to CBW owned land, projects, or infrastructure and would be better suited for ownership by CBW. CBW has expressed concern of landslides on Trust land that are adjacent to their currently owned property. In the CBW case, this is a high value waterfront parcel that is very suitable for development with constructed legal access and electricity that the TLO can subdivide and use to maximize revenue for Trust beneficiaries. The CBW assembly is highly supportive and has passed the attached resolution (Exhibit B) to show collaborative intent.

**Anticipated Revenues/Benefits:** This proposal provides the Executive Director with an opportunity to exchange Trust parcels, in a value for value exchange, that would be challenging to develop due to topography, adjacent land use trends, potential land slide concerns, and existing encumbrances and trespass for a parcel that is an excellent candidate for subdivision and inclusion in the Trust's land sale programs. It is anticipated that the eventual cumulative sale price once the parcel is subdivided will exceed the current appraised value of \$1.65MM. Additionally, a portion of the future sales will likely be done through land sale contract which will contribute additional interest income revenues.

**Anticipated Risks/Concerns:** Presently, there are no major concerns. CBW is very motivated to execute the exchange and excited to collaborate with the Trust to forward the missions of both organizations. The CBW Assembly has already approved a resolution supporting the mutually beneficial land exchange.

**Project Costs:** No funds are being requested at this time. The exchange will be consistent with AS 38.50.010, and thus fair market value for fair market value based on land appraisals. Appraisal costs for the Trust parcels will come out of annual TLO operating budget.

**Other Considerations:** None.

**Due Diligence:** The appraised fair market value of the Trust parcels involved were determined by appraisals completed, or presently underway, by Roger Ramsey, certified general real estate appraiser (AK-APRG570), of Ramsey Appraisal Resource. Additionally, the Department of Law was consulted. The Trust has the authority to complete a land exchange under AS 38.50.010 pursuant to AS 38.05.801 (which notes that the TLO will manage trust land “under the laws applicable to other state land.”). A land exchange under these statutes will be executed under the authority of the TLO’s Executive Director. Lastly, standard contract, agreement, and conveyance documents will be reviewed by the Department of Law; no separate independent review is required.

The appraised fair market value of the CBW parcel involved was determined by an appraisal completed by Mike Renfro, a certified residential real estate appraiser (APRR114) of Appraisal Company of Alaska.

**Alternatives:** The alternatives include holding the Trust parcels and attempting to develop them through subdivision followed by offering them for sale in the future or disposing of them through a competitive land sale and/or attempting to market and harvest the minimal amount of timber presently located on the parcels. The economic timber that can be safely harvested has already been harvested from the Trust parcels involved. As mentioned earlier, the Trust parcels have steep terrain and difficult topography (including potential landslide risk), access challenges, existing trespass and encumbrances, and high construction costs. All of these challenges mean there is a strong likelihood that the expenses to develop the parcels through a new subdivision or other commercial development would significantly exceed the expected returns. Lastly, retaining the subject parcels may result in additional land management and stewardship costs. Accepting any of these alternatives would mean missing an opportunity to exchange these Trust lands that have low development potential for a parcel that is much more conducive to subdivision and desirable for sale; as the CBW parcel is raw, waterfront land with no landslide risk, and already has constructed legal access and available electricity along the entire western border.

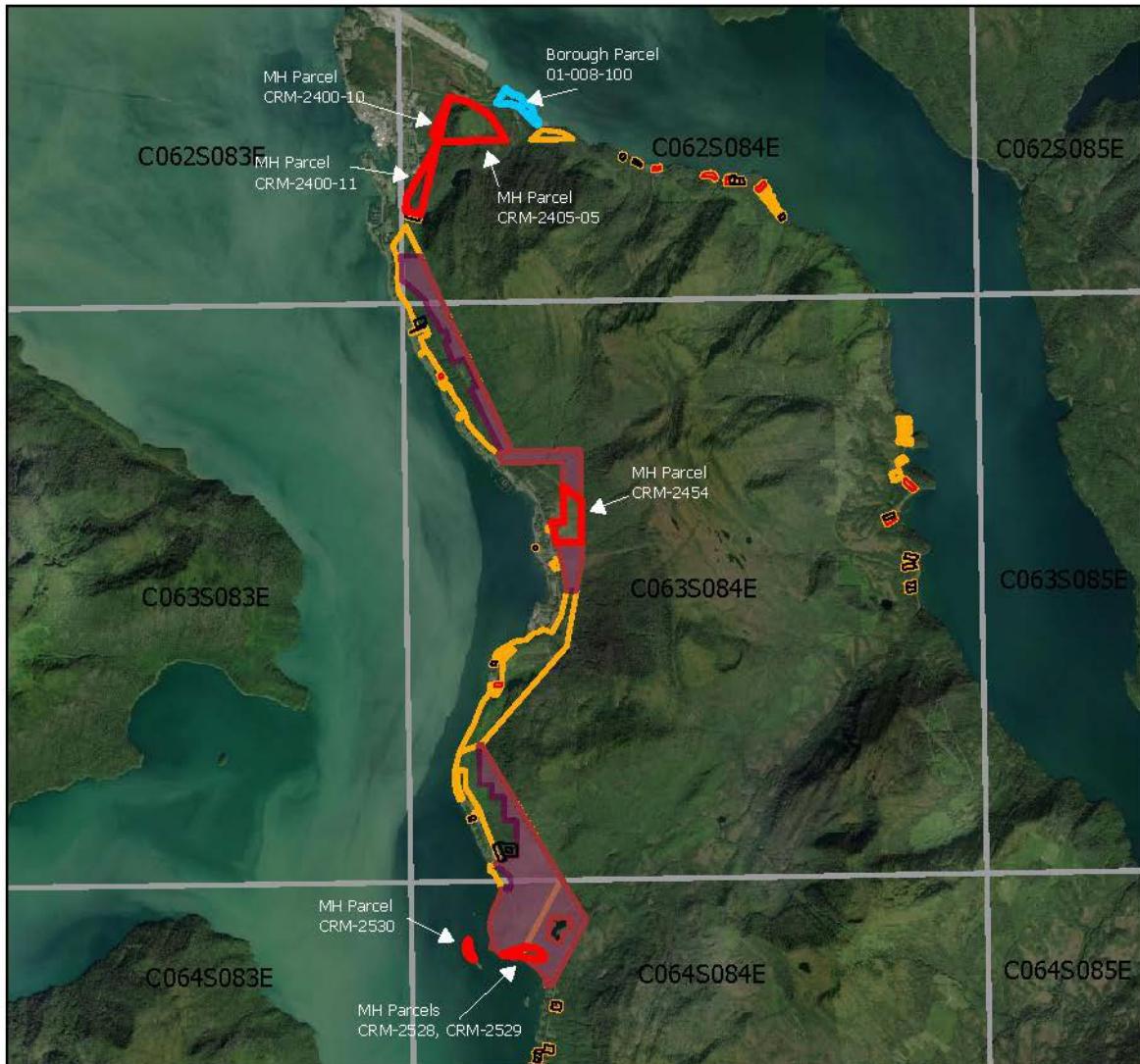
**Consistency with the Resource Management Strategy:** The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets.

**Trust Land Office Recommendation:** The Trust Land Office recommends that it is in the Trust’s best interest to complete a value for value land exchange with CBW up to \$1.65MM, followed by subdividing and selling the parcel acquired by the Trust in the Trust’s land sale programs.

**Applicable Authority:** Alaska Statutes: AS 38.05.801, AS 38.50.010, AS 37.14.009(a) and Alaska Administrative Code 11 AAC 99; Resource Management Strategy.

**Trust Authority Consultation:** This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

### Exhibit A:



### Wrangell Parcels Overview

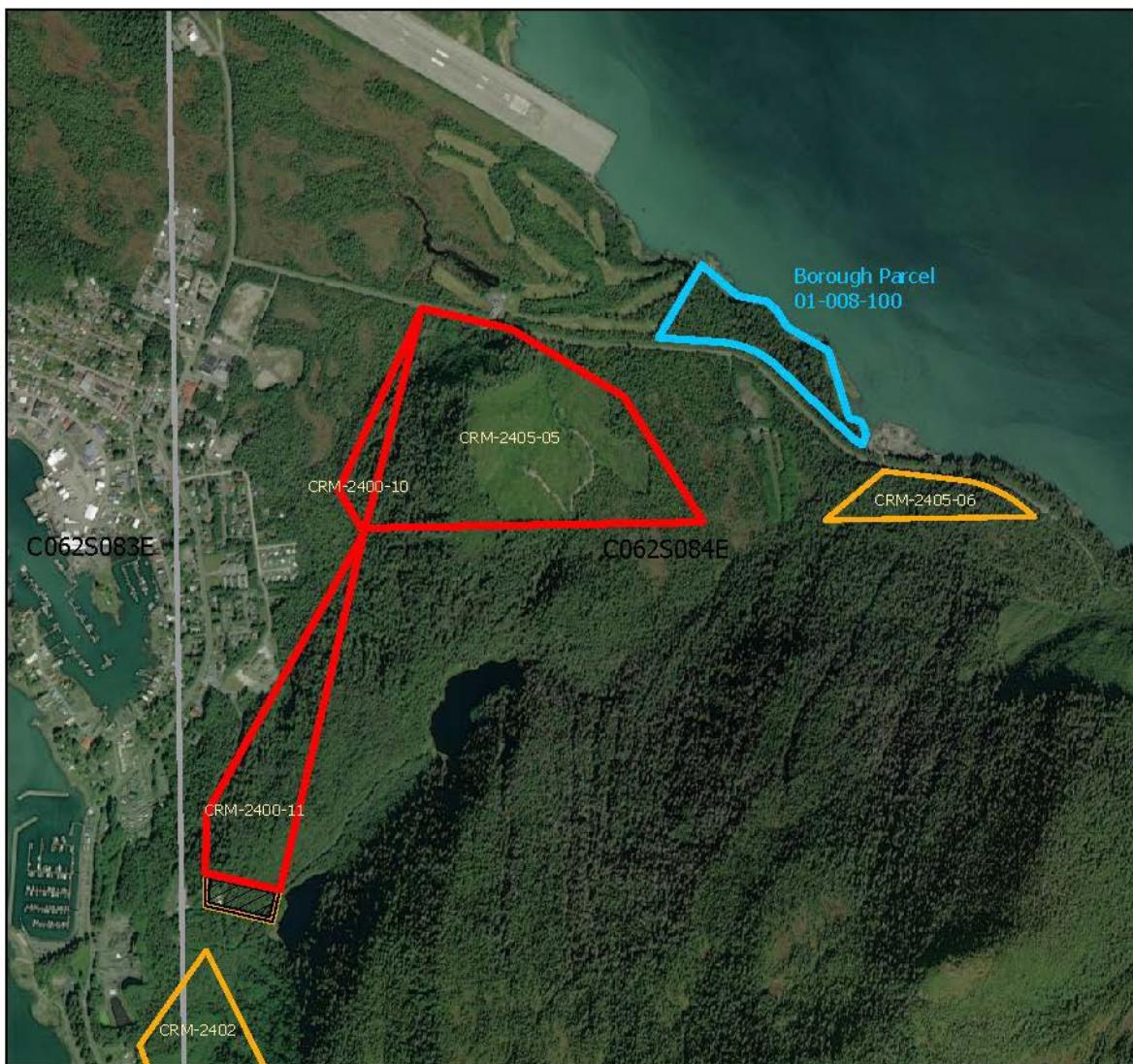
- Yellow: Mental Health Parcel
- Purple: TLO Land Exchange
- Black and white hatching: Land Sale, Conveyed
- Red: Land Sale, Contract
- Grey: PLSS Township

Potential Land Exchange Parcels:

- Blue: Borough Parcel
- Red: Mental Health Parcel

0 1 2 4 Miles





## Wrangell Parcels

 Mental Health Parcel	<b>Potential Land Exchange Parcels:</b>
 TLO Land Exchange	 Borough Parcel
 Land Sale, Conveyed	 Mental Health Parcel
 Land Sale, Contract	
 PLSS Township	

0      0.25      0.5      1 Miles





## Wrangell Parcels

- █ Mental Health Parcel
- █ TLO Land Exchange
- █ Land Sale, Conveyed
- █ Land Sale, Contract
- █ PLSS Township

### Potential Land Exchange Parcels:

- █ Borough Parcel
- █ Mental Health Parcel

0      0.25      0.5      1 Miles





## Wrangell Parcels

- █ Mental Health Parcel
- █ TLO Land Exchange
- █ Land Sale, Conveyed
- █ Land Sale, Contract
- █ PLSS Township

**Potential Land Exchange Parcels:**

- █ Borough Parcel
- █ Mental Health Parcel

0      0.13      0.25      0.5 Miles



## Exhibit B

### **CITY AND BOROUGH OF WRANGELL RESOLUTION No. 12-25-2008**

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AFFIRMING THE BOROUGH'S COMMITMENT TO PARTNERSHIP WITH THE ALASKA MENTAL HEALTH TRUST LAND OFFICE AND SUPPORTING CONTINUED PROGRESS TOWARD A MUTUALLY BENEFICIAL LAND EXCHANGE

**WHEREAS**, the City and Borough of Wrangell ("the Borough") and the Alaska Mental Health Trust Land Office ("TLO") entered into a Memorandum of Understanding in December 2024 for the purpose of coordinating land management activities, timber resource planning, subdivision development, and economic development opportunities; and

**WHEREAS**, the Borough and TLO have engaged in collaborative evaluation of a prospective land exchange that would support community housing needs, strategic industrial and economic development, and the long-term land management goals of both parties; and

**WHEREAS**, the Borough's Planning & Zoning Commission and Economic Development Board reviewed the proposed exchange in August and September 2025 and unanimously recommended that the Borough continue advancing the exchange process, subject to appropriate conditions including appraisals, rezoning, buffering, on-site utilities, comparable land values and preparation of a formal exchange agreement consistent with WMC 16.12.080; and

**WHEREAS**, the Trust Land Office is completing required appraisal work and preparing its materials for review and approval by its authorizing body, and a formal statement of Borough commitment will serve as meaningful documentation of partnership during this process; and

**WHEREAS**, the Borough recognizes the value of continued collaboration with the TLO to support shared objectives related to land stewardship, housing development, economic diversification, and the long-term prosperity of the community and Trust beneficiaries;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:**

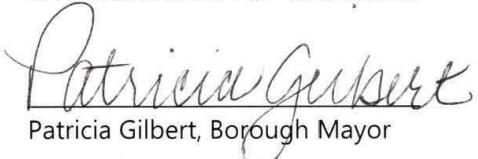
**Section 1.** The Borough affirms its commitment to continued partnership with the Alaska Mental Health Trust Land Office and supports ongoing progress toward a mutually beneficial land exchange.

**Section 2.** This resolution does not authorize or approve a final land exchange agreement. Any proposed exchange will return to the Borough Assembly for review and approval following completion of appraisals, rezoning, and preparation of a formal exchange instrument consistent with Borough code.

**Section 3.** This resolution shall serve as an official record of the Borough's collaborative intent as the Trust Land Office completes its internal review and approval process.

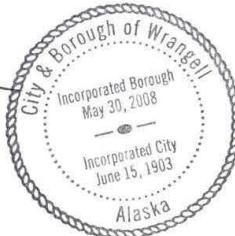
PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 16<sup>th</sup> DAY OF DECEMBER 2025.

CITY & BOROUGH OF WRANGELL

  
Patricia Gilbert, Borough Mayor

ATTEST:

  
Kim Lane, MMC, Borough Clerk





2600 Cordova Street, Suite 201  
Anchorage, Alaska 99503  
Phone: 907-269-8658  
Fax: 907-269-8605

**To:** Corri Feige, Chair  
**From:** Brittany Williams, Leasing and Land Sales Manager  
**Through:** Jusdi Warner, Executive Director  
**Date:** 1/22/2026  
**Re:** FY2027 – 2032 Parcel Inventory for Statewide Land  
Sale Programs  
**Fiscal Year:** 2027 – 2032

## Consultation

### Proposed RMC Motion:

*“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with creating a pool of approximately 20 subdivision lots and small to large tract parcels to be subdivided that may be disposed of through the TLO’s Statewide Land Sale Programs.”*

### Background:

**Revenue Projections:** Principal (up to) \$6 Million  
Income (up to) \$3 Million

**Transaction/Resource:** The proposed action is to select and offer, through the TLO’s Statewide Land Sale Programs, Trust parcels annually from a pool of 20 parcels between fiscal years 2027 and 2032. If a parcel is not sold within this timeframe, it may be reoffered in future TLO Statewide Land Sale Programs. These parcels were identified based on already being suitable for disposal or a candidate for subdivision in an area where market conditions will allow for profitable sales after a subdivision has been completed.

Parcels identified for inclusion in the Statewide Land Sale Programs will be offered in the following order of Land Sale Programs:

1. Annual Competitive Land Sale Program (Sealed Bid Auction Format).
2. Year-round Over-the-Counter Land Sale Program.
3. Negotiated Sale at, or above, the appraised value.

The Executive Director, in consultation with the Trust Authority, may elect to sell a parcel from this pool through a negotiated sale prior to offering it in the Annual Competitive Land Sale Program, so long as a written decision is completed providing the opportunity for interested

parties to submit qualified competing offers and describing that a non-competitive disposal is in the best interest of the Trust and its beneficiaries.

Purchasers may elect to pay for the parcel in full or finance through a TLO land sale contract.

**Property Description/Acreage/MH Parcel(s):** Trust parcels in the pool are mostly from subdivisions currently being developed by the TLO, pre-existing subdivisions designed and platted by the Department of Natural Resources (DNR) (primarily in the 1970's and 1980's), or individual parcels 30 acres or smaller in size that are already suitable for disposal. These parcels have characteristics that are typical of residential and recreational properties that do not lend themselves to other types of resource development.

The parcels to be offered are listed in Exhibit 1 of this consultation document. Descriptions include Trust parcel number, general locations, meridian, township, range, section, survey number, lot, block, and acreage.

It is important to note that certain parcels may be deleted from the list because of the public notice process, title reviews, parcel inspections, or the identification of a higher and better use that would contribute to the generation of larger returns.

**General Background:** The TLO has been selling parcels through the Statewide Land Sale Programs since 1998 on behalf of the Trust. In previous years, the TLO would select a limited number of already subdivided parcels on an annual basis to offer during the next fiscal year. The TLO concluded that an inventory of parcels from which the TLO could select from over the next five years and beyond would better maximize revenues from the Statewide Land Sale Programs. Throughout the last three years the TLO has seen an increase in land sales and has amplified its subdivision development efforts to capitalize on the absorption rate in the market. This consultation specifically includes larger parcels/tracts of land which first require subdivision, several of which are currently underway through the TLO Subdivision Development Program, in order to maximize revenue from the sales. After the subdivisions are completed, the number of total lots that are sold will be much greater than the 20 parcels, which make up the parent parcels of the subdivisions. This consultation action is required to be completed before the parcels can be disposed of in the TLO land sale programs.

**Anticipated Revenues/Benefits:** By having an inventory of parcels to select from that has been through the TLO's administrative process, the TLO can consolidate costs such as appraisals and parcel inspections over multiple land sale years, have more flexibility to respond timely to public interest, market trends, and more effectively sell the parcels, thereby increasing overall land sales revenue generated through the TLO land sale programs.

The TLO's goal is to generate up to \$6 million during the five-year sale period. Land sales have performed very well over the last two years, and it is possible for this trend to continue with the TLO's ability to provide inventory in areas where demand is high. However, with elevated interest rates the option to finance a parcel becomes less attractive and sales may slow as a result. Exact

revenues received will be dependent on the number of land sale contracts issued, payoffs, and interest rates. These anticipated revenues will be realized over up to a twenty-year period for each land sale year. Remaining parcels not sold within this five-year period may continue to generate revenue in future years as they are sold and potentially financed.

**Anticipated Risks/Concerns:** There are no significant risks or concerns associated with the project. This assessment is based on the TLO's experience from previous sales. Minor risks include defaults on parcel sales from buyers. These risks will be mitigated through a land sale contract, which includes contemporary language to limit risk to the Trust, ensure performance by the buyer, and allow for termination in the event of default.

**Project Costs:** Project costs for the TLO land sale programs over the five-year period are estimated at approximately \$100,000/year (from TLO operating budget) with the primary costs being minor surveys, appraisals, title reports, parcel inspections, and marketing needed to prepare lots for inclusion in the land sale programs. The parcels included in this consultation that are being subdivided through the Subdivision Development Program will be paid for from that approved budget. The parcels that are not within that program and a part of this consultation will be paid for through this project cost funding which is paid for through the TLO Operating budget.

**Due Diligence:** Prior to the sale of the parcels a TLO staff member, contract appraiser, or surveyor will inspect each parcel. Minimum parcel bids will be established via standard appraisals or other appropriate valuation methods. All parcels will have a title report completed prior to issuing a sale contract or quitclaim deed. Contract documents have been reviewed by the Department of Law; no separate independent review is required.

**Alternatives:** The primary alternative is to hold the parcels for future development or sales. This alternative would delay receipt of revenues and could result in additional costs and risks for the Trust without significant increases in value. Currently, the TLO has assessed the highest and best use of these parcels as residential or recreational properties. If an alternative resource development proposal is identified or a negotiated sale application is received prior to the competitive sale and over-the-counter sale offering, for a specific parcel in the future, the TLO may re-evaluate the highest and best use and may elect an alternative use, which may require separate decision and consultation.

**Consistency with the Resource Management Strategy:** The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets. Experience has demonstrated that it is unlikely that these parcels will appreciate at a rate that would justify holding them for a later sale. It is also not cost effective for the TLO to hold these parcels for a long period of time and incur the associated management costs and liabilities.

Also, by designating a pool of parcels to select from and offer over the next five-year period, the TLO Lands Section will more efficiently meet the Land Resource Management Strategy objectives

to maintain a five-year inventory of lots through subdivision developments in support of the land sale programs during fiscal years 2027 – 2032.

**Trust Land Office Recommendation:** The TLO recommends that it is in the Trust's best interest to select and offer Trust parcels from a pool of 20 existing parcels between fiscal years 2027 and 2032 through the TLO's Statewide Land Sale Programs. Parcel sales will take place over a multi-year period in an effort to gain maximum revenue by avoiding oversaturation of a single market area and sell parcels selectively based on market conditions and local area demand. If not sold in the initial timeframe the parcels may be re-offered in future land sale programs.

**Applicable Authority:** Alaska Statutes 37.14.009(a), and 38.05.801, and 11 AAC 99 (key statutes and regulations applicable to Trust land management and disposal).

**Trust Authority Consultation:** This briefing document fulfills the consultation requirements that are applicable to the transaction. If significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

**Exhibit(s):** Exhibit 1 – Parcel List

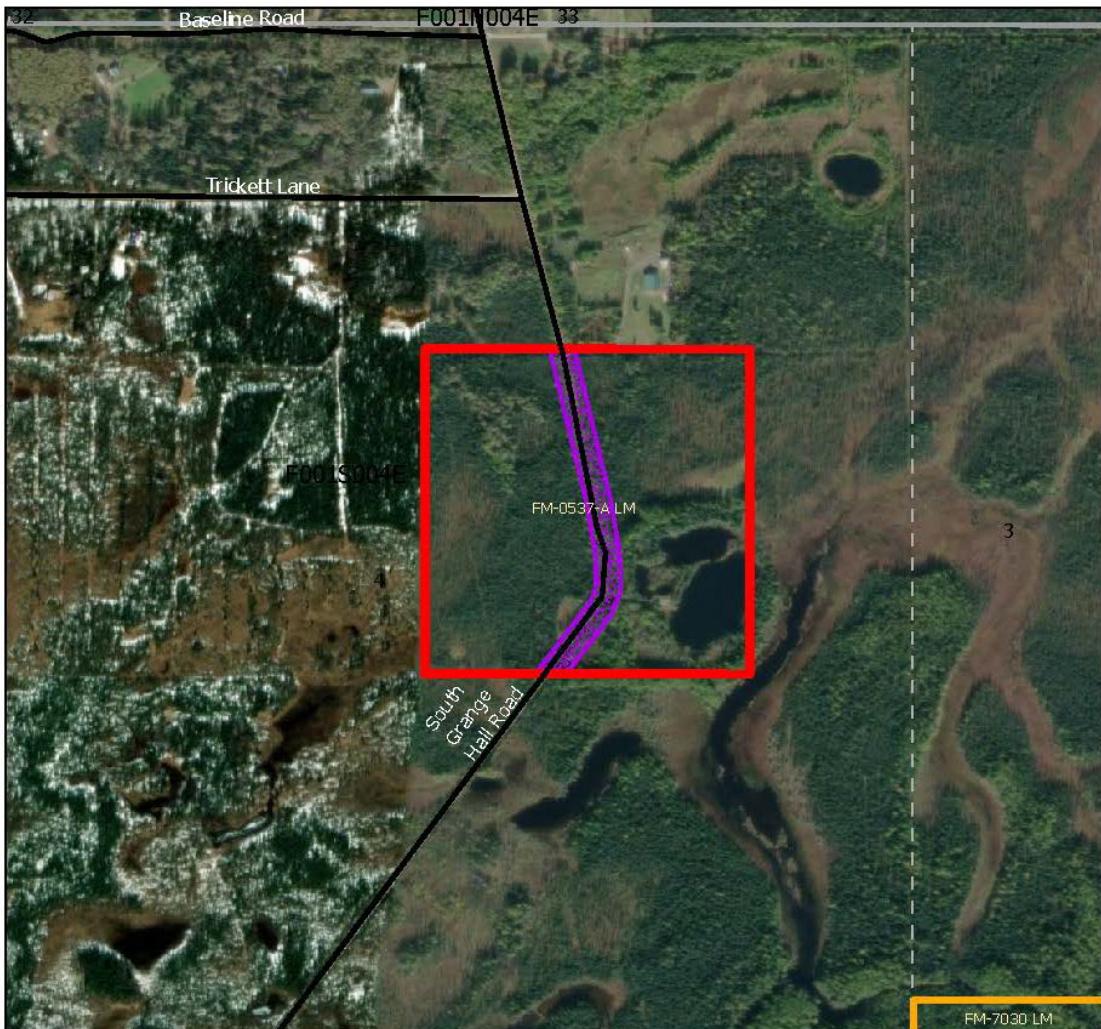
Exhibit 2 – Parcel Maps

**Exhibit 1 – Parcel List**

General Location	Community/ Subdivision (S/D)	MH Parcel Number	MTRS	Survey	Lot	Block	Acres
Fairbanks	Fairbanks	FM-0537-A	F001S004E04	USRS	E1/2SW1/ 4NE1/4, W1/2SE1/ 4NE1/4		40.000
Fairbanks	Fairbanks	FM-0452	F001S001E11	USRS	N1/2NE1/ 4		80.000
Fairbanks	Fairbanks	FM-0413	F001N003W11	USRS	4		9.040
Petersburg	Sasby Island	CRM-1924	C058S079E22	USRS	4		44.330
Petersburg	Sasby Island	CRM-1925	C058S079E22	USRS	5		11.630
Petersburg	Sasby Island	CRM-1928	C058S079E22	USRS	8		15.320
Petersburg	Sasby Island	CRM-5019	C058S079E22	USRS	2		0.190
Petersburg	Prolewy Point	CRM-1922	C058S079E22	USRS	1		34.470
Seward	Blueberry Hill	S20006	S001N001W24	USRS	S1/2NW1/ 4NW1/4, SW1/4NW 1/4, S1/2SE1/4 NW1/4, N1/2SW1/ 4, E1/2NW1/ 4SW1/4S W1/4, NE1/4SW 1/4SW1/4, N1/2SE1/4 SW1/4		195.000
Sitka	Middle Island SD	C20569	C055S063E17	ASLS 87-129	Tract E		15.883
Wrangell	Ishiyama SD	CRM-2405-06	C062S084W29	ASLS 84-83	Tract D		16.130

General Location	Community/Subdivision (S/D)	MH Parcel Number	MTRS	Survey	Lot	Block	Acres
Wrangell	Wrangell	CRM-2406	C063S084E06	USS 2321	ROW between Tract J & K		1.000
Wrangell	Wrangell	CRM-2407	C063S084E06	USS 2321	ROW between Tract M & N		0.830
Wrangell	Wrangell	CRM-2408	C063S084E06	USS 2321	ROW Situated Directly North of Tract R		2.280
Wrangell	Wrangell	CRM-2409	C063S084E07	USS 2321	ROW between Tract U & V		1.520
Wrangell	Wrangell	CRM-2456	C063S084E06	USS 2905	5A		0.860
Wrangell	Wrangell	CRM-2443	C063S084E17	EPF 39-2	14	1	1.520
Wrangell	Wrangell	CRM-2458	C063S084E17	USRS	23		3.440
Wrangell	Wrangell	CRM-2528	C063S084E31, 32, C064S084E05, 06	TLS 2018-11	3		18.510
Wrangell	Wrangell	CRM-2493	C063S084E31	USS 2968	13		1.400

## Exhibit 2 – Parcel Maps



### MH Parcel FM-0537-A

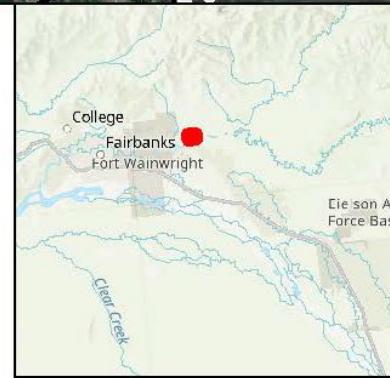


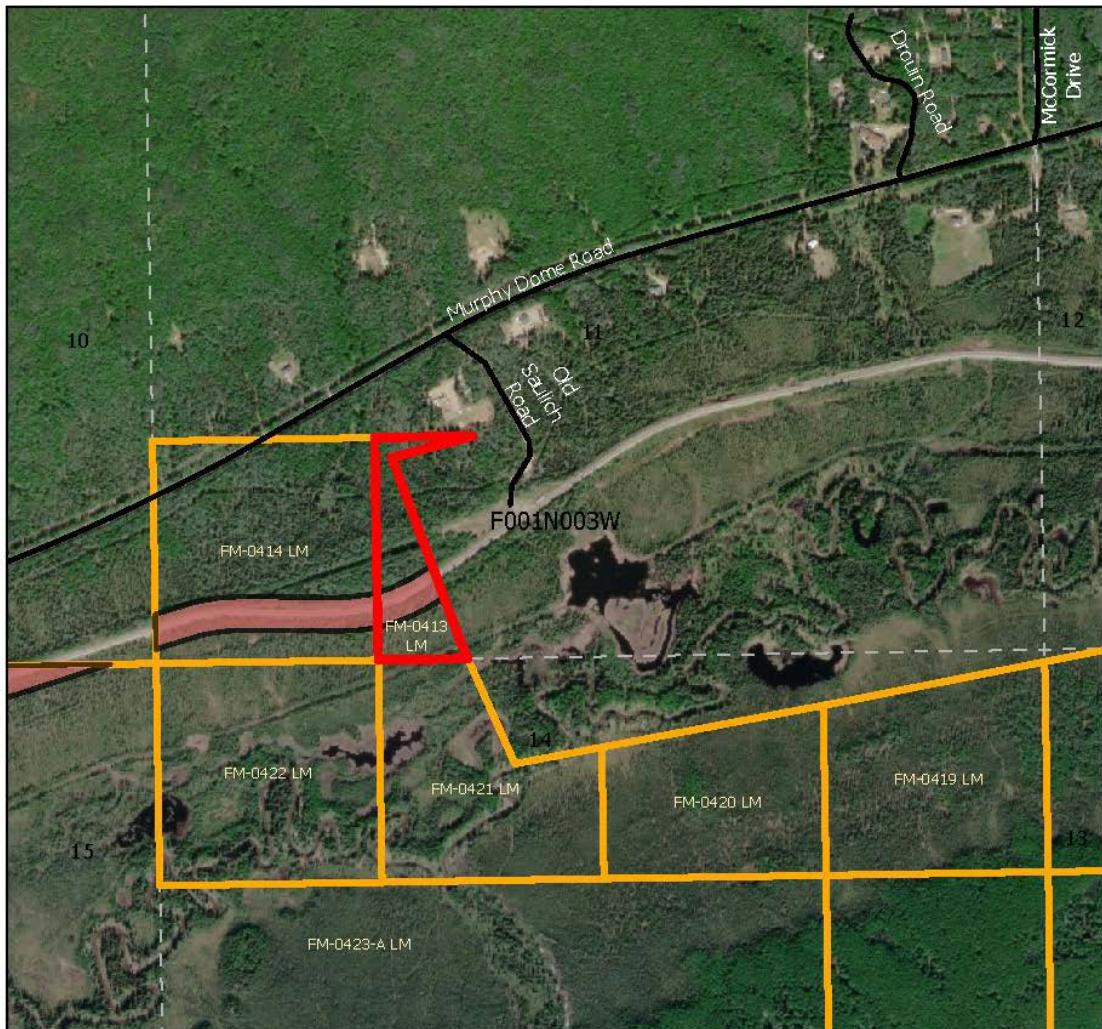


### MH Parcel FM-0452

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area
- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0 500 1,000 2,000 Feet

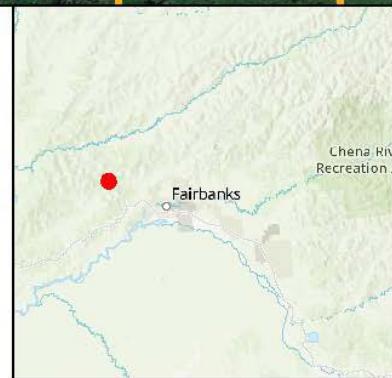


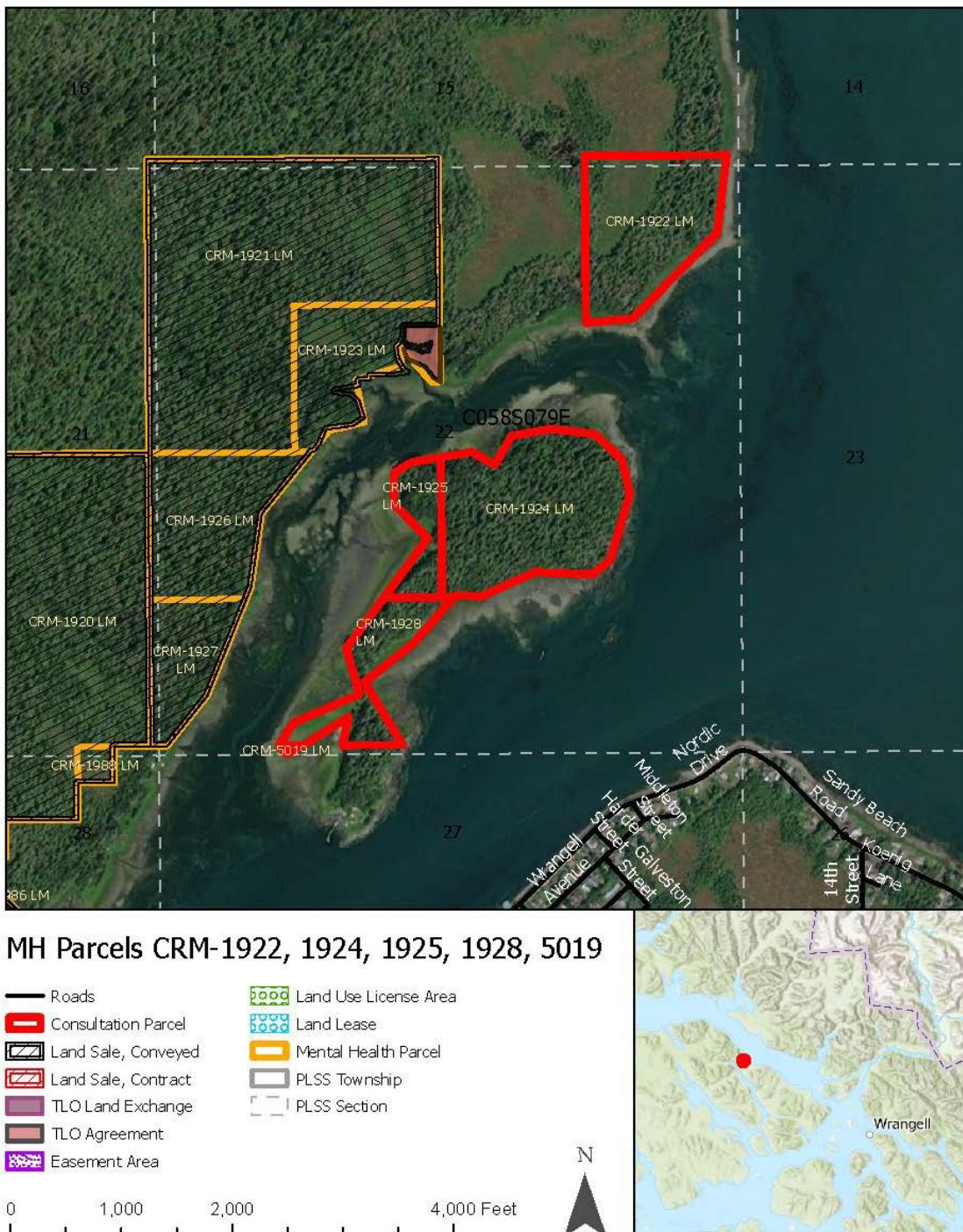


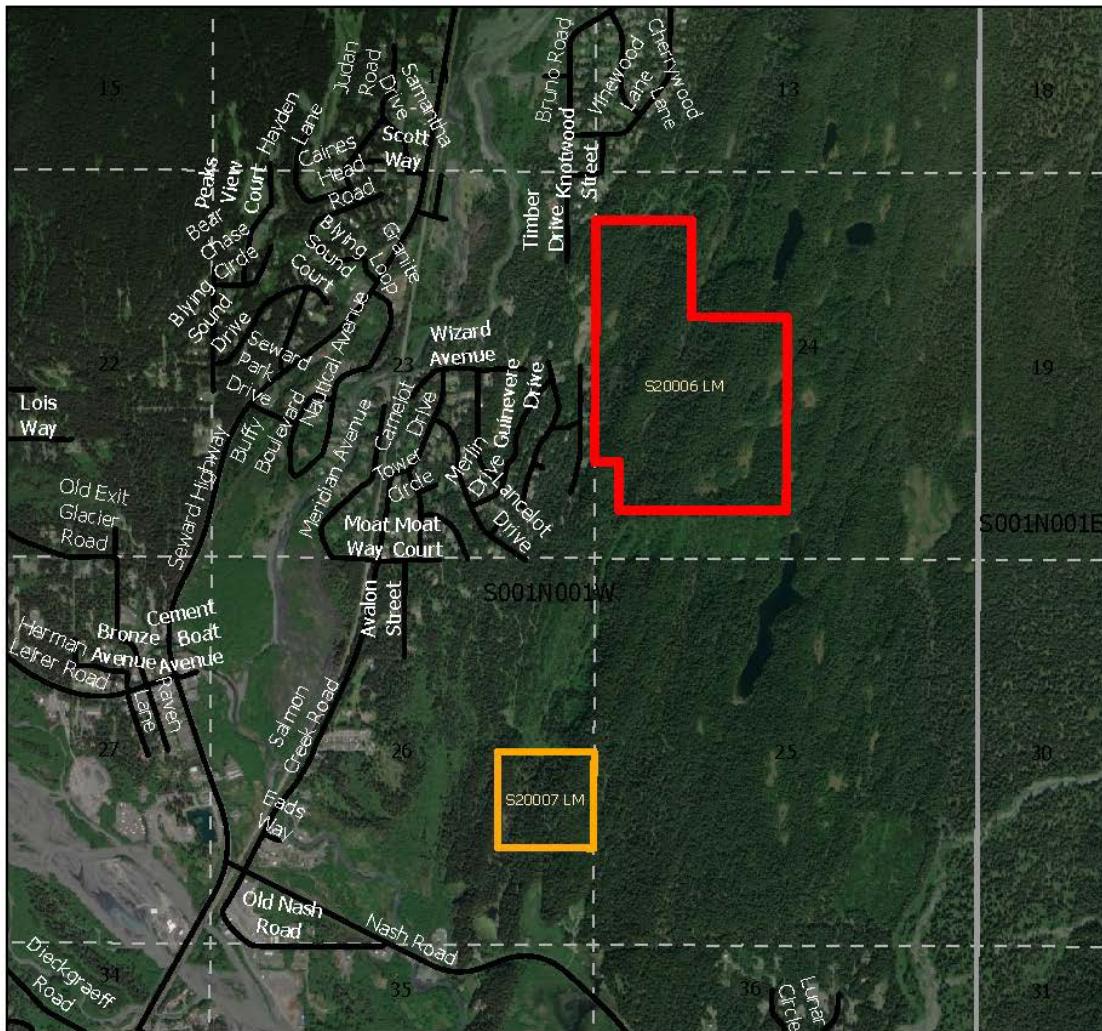
### MH Parcel FM-0413

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area
- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0      0.1      0.2      0.4 Miles







### MH Parcel S20006

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area
- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0 1,500 3,000 6,000 Feet

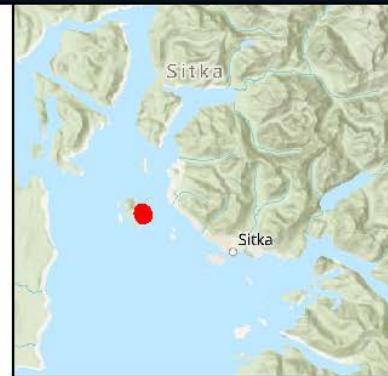


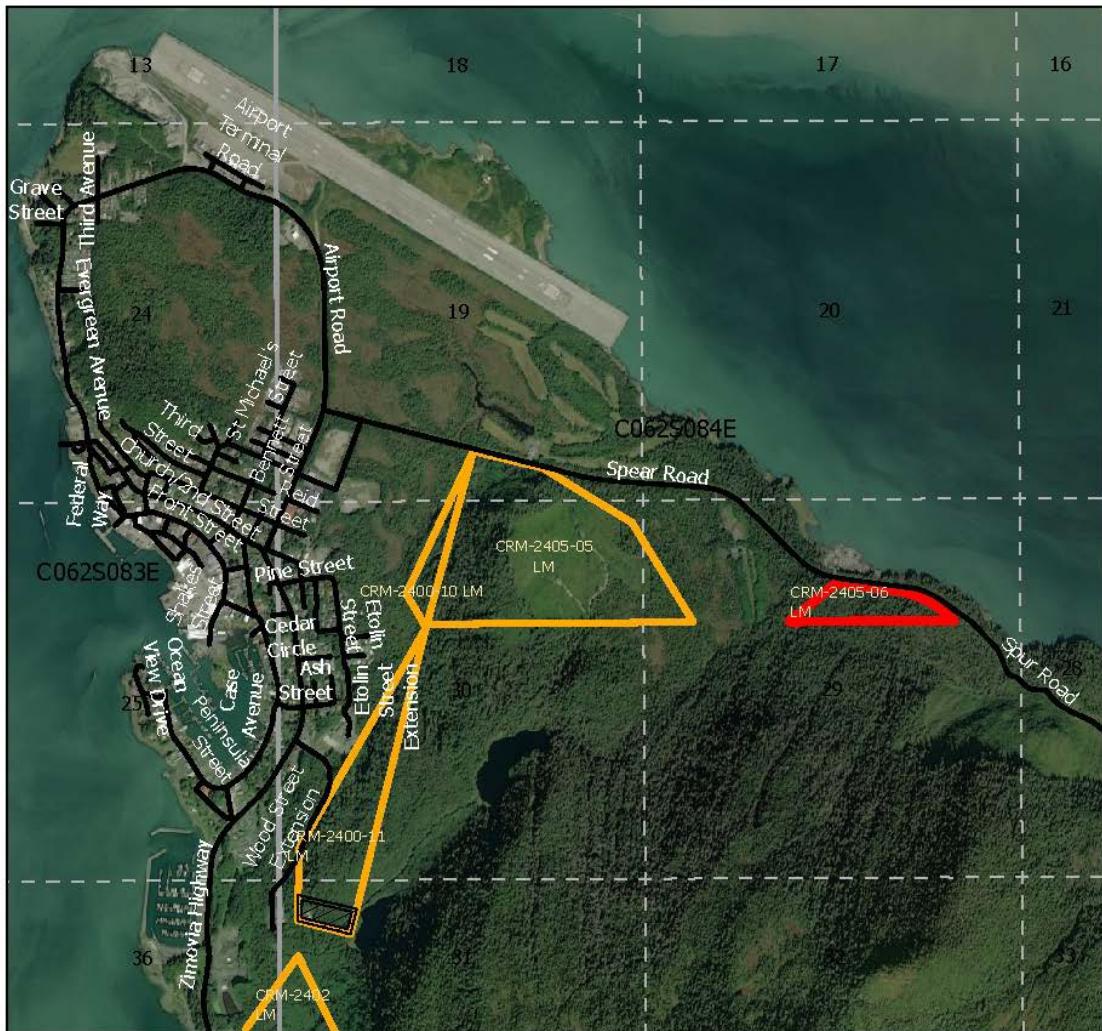


### MH Parcel C20569

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area
- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0      500      1,000      2,000 Feet





### MH Parcel CRM-2405-06

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area
- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0      1,500      3,000      6,000 Feet





### MH Parcels CRM-2406, 2407

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area
- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0      250      500      1,000 Feet





### MH Parcels CRM-2408, 2456

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area

0      250      500      1,000 Feet



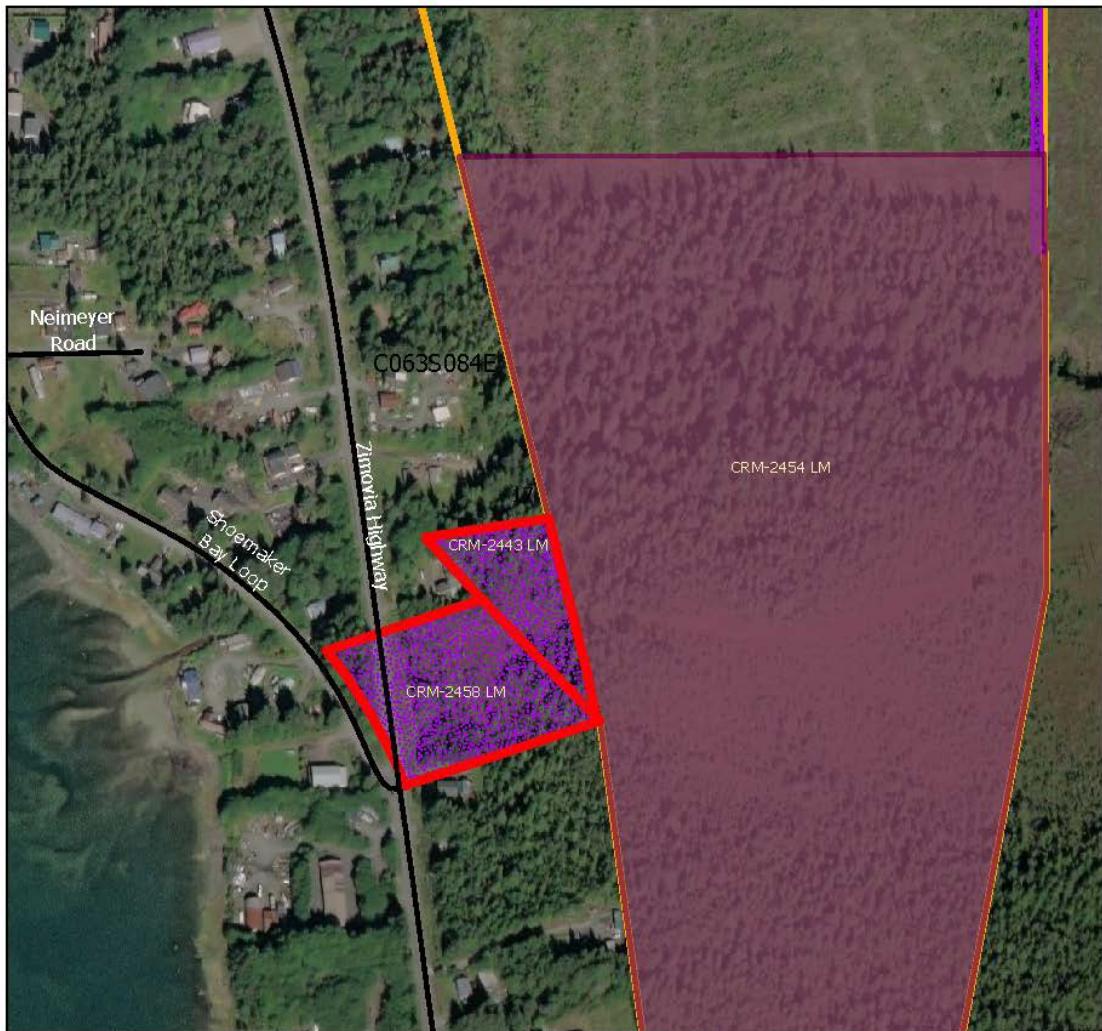


### MH Parcel CRM-2409

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area
- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0      250      500      1,000 Feet



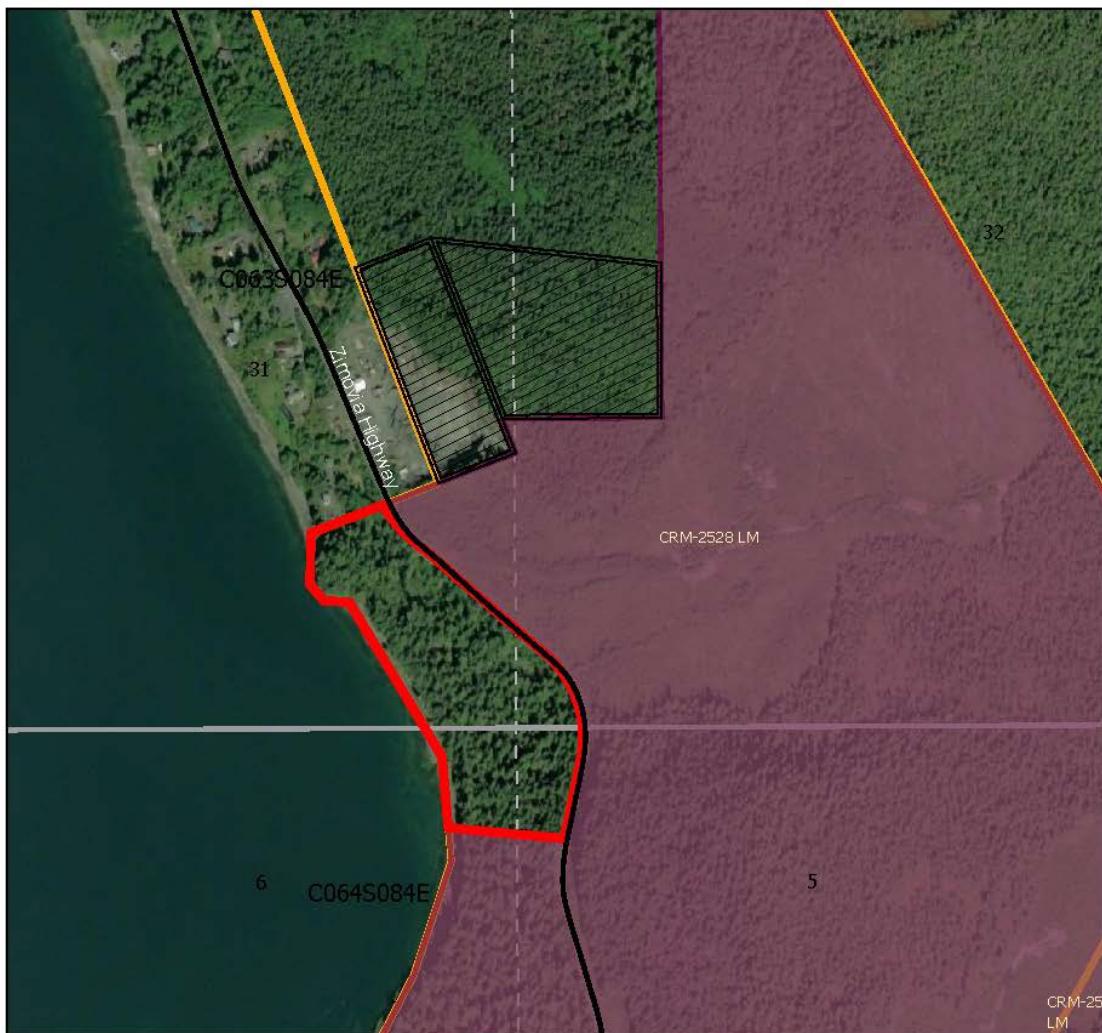


### MH Parcels CRM-2443, 2458

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area
- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0      250      500      1,000 Feet





### MH Parcel CRM-2528, portion of

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section
- TLO Land Exchange
- TLO Agreement
- Easement Area

0 500 1,000 2,000 Feet





### MH Parcel CRM-2493

- Roads
- Consultation Parcel
- Land Sale, Conveyed
- Land Sale, Contract
- TLO Land Exchange
- TLO Agreement
- Easement Area

- Land Use License Area
- Land Lease
- Mental Health Parcel
- PLSS Township
- PLSS Section

0      500      1,000      2,000 Feet





**To:** Corri Feige, Chair  
Resource Management Committee  
**From:** Jusdi Warner, Executive Director  
**Date:** 1/22/2026  
**Re:** Administrative Order 360  
**Fiscal Year:** Beginning FY2027

## Consultation

### Proposed RMC Motion:

*"The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the Trust Land Office's compliance with Administrative Order 360 and submission of proposed amendments to 11 AAC 99 (Exhibit A) through the Department of Natural Resources to the Department of Law's Legislation, Regulations, and Legislative Research Section."*

### Background:

**Project:** Regulatory reduction in 11 AAC 99 to meet Governor Dunleavy's Administrative Order (AO) 360.

**General Background:** Governor Dunleavy's Administrative Order 360 directs state agencies to improve the quality, transparency, and efficiency of the State's regulatory environment. The Trust Land Office (TLO) continues to work on implementing AO 360 through the Department of Natural Resources (DNR) who coordinates with the Department of Law's Legislation, Regulations, and Legislative Research Section, which will draft the final language for any amendments to 11 AAC 99. Each division and office within DNR has been asked to achieve a 15% reduction to ensure an equitable distribution of the effort.

TLO has completed the public solicitation process and quarterly reporting, identifying the required 15% reduction in regulations targeted for 2026. To support this initiative, the TLO submitted its Regulatory Reform Plan to DNR.

This plan establishes a baseline of 79 regulations with a target to reduce those regulations to 67 by 2026. The plan details stakeholder engagement efforts, including virtual and written public notices soliciting input on 11 AAC 99. TLO received no comments on its plan.

TLO, in consultation with the Alaska Mental Health Trust Authority (AMHTA), holds the responsibility for drafting the revised regulations, which are scheduled for submission to the Department of Law's Legislation, Regulations, and Legislative Research Section by the end of February, following consultations with AMHTA's Resource Management Committee and the AMHTA Board.

The three key anticipated benefits of the proposed changes to 11 AAC 99 are:

- accelerated decision-making through reduced notice and appeal periods;
- a more streamlined consultation and written decision process – in particular to allow for concurrent processes to save time; and
- updating language that has become outdated since the regulations were promulgated in 1997, which will ensure that administrative processes for managing Alaska Mental Health Trust land are current and efficient.

These changes will balance the legislature's direction under AS 38.05.801 – to manage land in the best interest of the trust beneficiaries – while also aligning with AO 360's vision for streamlining. By shortening notice and appeal timelines, the amendments expedite decision-making and reduce administrative delays. Running the Trust Authority consultation process concurrently with the public notice process further accelerates decision-making and shortens the overall timeline from application to issuance. This, in concert with simply updating the current TLO regulations, aligns with AO 360 and the goals of streamlining TLO's administrative processes.

**Trust Authority Consultation:** This document satisfies consultation requirements. Any significant project changes will be brought back to the Trust Authority for review.

## Chapter 99 **Management of Alaska Mental Health Trust Land**

**11 AAC 99.010. Authority and duties of executive director.** (a) The executive director shall exercise the authority of that office consistently with this chapter and other provisions of law as implemented by this chapter. To implement the management goals and priorities contained in the contract required by AS 37.14.009(a)(2), between the department and the trust authority, the executive director shall manage mental health trust land consistently with 11 AAC 99.020 and with the asset and resource allocations contained in that contract. (b) Authorized actions include the management, sale, lease, conveyance, permitting, licensing, dedication, and other management or disposal action concerning the trust land. The executive director may delegate authority for the management and disposal of trust land consistent with AS 38.05.801 and AS 37.14.009 to an employee of the department. The executive director may provide for the acquisition, dedication, and maintenance of rights-of-way and easements to and across trust land, by agreement or otherwise. (c) The executive director may acquire land on behalf of the trust consistently with the statutes and regulations and with the approval of the trust authority. (d) Decisions made or actions taken without the approval of the executive director have no effect on trust land.

**11 AAC 99.020. Management of Alaska mental health trust land.** (a) This section describes the management responsibilities that are consistent with trust principles accepted by the Territory and State of Alaska under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)). (b) Trust land shall be managed consistently with trust responsibilities accepted by the state under the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)), which means that management shall be conducted solely in the best interest of the Alaska mental health trust and its beneficiaries. (c) In determining the best interest of the trust and its beneficiaries, and in determining consistency between state law and the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)), the executive director shall, at a minimum, consider the following trust management principles: (1) maximization of long-term revenue from trust land; (2) protection of the corpus; (3) protection and enhancement of the long-term productivity of trust land; (4) encouragement of a diversity of revenue-producing uses of trust land; and (5) management of trust land prudently, efficiently, and with accountability to the trust and its beneficiaries. (d) The disposal of trust land shall be made on a competitive basis, unless (1) the executive director, in consultation with the trust authority, determines in a written decision required by 11 AAC 99.040 that a non-competitive disposal is in the best interest of the trust and its beneficiaries; or (2) an existing law that is applicable to other state land and that is consistent with (a) - (c) of this section allows for a negotiated transaction. (e) If a provision of state law requires that an action be taken or decision be made in the "best interest of the state," that provision as applied to trust land means that the action must be taken or decision be made in the best interest of the trust and its beneficiaries. (f) Unless otherwise specified in this chapter, every provision of law applicable to other state land applies to the management of trust land unless its application is determined, in the written finding required by 11 AAC 99.040, to be inconsistent, in whole or in part, with (a) - (c) of this section.

**11 AAC 99.030. General land management and disposal actions.** (a) The executive director may accept and adjudicate, or reject, an application for any action on trust land at any time. The acceptance of an application or expression of interest vests no rights in an applicant or a third party. (b) Trust land shall be valued, before disposal, by a method determined by the executive director to be consistent with 11 AAC 99.020. (c) The executive director shall keep the trust authority informed of trust land management and disposal actions on a regular basis, as may be required by the contract between the department and the trust authority. (d) The executive director shall consult with the trust authority before issuing the public notice of a written decision required by 11 AAC 99.040. Consultation may occur concurrently with adjudication, valuation, public notice preparation, and drafting of the written decision. The executive director may proceed with these steps while consultation is pending, provided that any input received before issuance of the written decision is considered and documented.

(e) Provisions of law applicable to other state land, including AS 38.05.840, that appear to be in conflict with this section do not apply to trust land unless determined by the executive director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The determination shall be stated in a written finding.

**11 AAC 99.040. Written decision of best interest and consistency.** (a) The executive director shall prepare a written decision, on a case-by-case basis, before disposing of trust land and before taking any other action that

requires a determination that a relevant provision of law applying to other state land will not be applied to trust land because of an inconsistency with 11 AAC 99.020. (b) The written decision must describe the proposed action, state why it is in the best interest of the trust and its beneficiaries, cite the authority for the action, and state why any relevant provision of law applicable to other state land has been found to be inconsistent with 11 AAC 99.020 and will not be applied to the proposed action. (c) Provisions of law applicable to other state land, including AS 38.05.035(e) - (g), that appear to be in conflict with this section do not apply to trust land unless determined by the executive director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The determination shall be stated in a written finding. (d) Consultation under 11 AAC 99.030 does not suspend or delay the executive director's authority to continue processing the proposed action. The executive director may complete analysis, conduct public notice, and prepare the written decision during consultation. (e) The final written decision must incorporate and address any consultation input received before issuance.

**11 AAC 99.050. Public notice.** (a) Notice of an action requiring a written decision under 11 AAC 99.040, and notice under 11 AAC 99.090, shall be published in a newspaper or other publication of general circulation at least 15 days before the action. In addition, at least 15 days before the action, notice shall be provided (1) to the trust authority; (2) to the appropriate municipality, if the trust land is located within the boundaries of a municipality; (3) to the appropriate Alaska Native regional nonprofit corporation, if the trust land is outside of a municipality and within the geographic boundaries of an Alaska Native region as established by 43 U.S.C. 1606 (Alaska Native Claims Settlement Act, sec. 7); and (4) by any other method the executive director considers reasonable (b) Provisions of law applicable to other state land, including AS 38.05.945 and AS 38.05.946, that appear to be in conflict with this section do not apply to trust land unless determined by the executive director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The determination shall be stated in a written finding.

**11 AAC 99.060. Appeals.** (a) A decision by the executive director is a final agency action. Judicial review may be sought under AS 44.62.560. (b) Before an appeal under AS 44.62.560 or other applicable law may be taken, a person who, under AS 38.05.035(i), is eligible to file for reconsideration must do so within 10 calendar days after publication of notice or receipt of the decision, whichever is earlier. The executive director shall order or deny reconsideration within 10 days after receiving the request for reconsideration. If the executive director takes no action during the 10-day period following receipt of the request, the request is considered denied. Denial of a request for reconsideration is the final administrative decision for purposes of appeal to the superior court under AS 44.62.560. (c) A person may appeal a decision made under 11 AAC 99.040 to the superior court, but only if the person was eligible to request, and did request, reconsideration under (b) of this section. The person must initiate the appeal within 15 days after the date that the decision on reconsideration is mailed or the date the request for reconsideration is considered denied by the executive director, whichever is earlier. (d) Provisions of law applicable to other state land, including AS 38.05.035 and 11 AAC 02, that appear to be in conflict with this section do not apply to trust land unless determined by the executive director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The determination shall be stated in a written finding. A provision found to be consistent then forms a part of the appeals process for that action under this section.

**11 AAC 99.070. Transfers and assignments.** The transfer of an interest in trust land, including an assignment under AS 38.05.920, is not effective unless approved by the executive director on a form designated by the executive director. A transfer may not be approved unless it is consistent with 11 AAC 99.020. The executive director's approval is not required before the transfer of a valid mining right under AS 38.05.185 - 38.05.275, that vested before the effective date of the land's designation as Alaska mental health trust land.

**11 AAC 99.080. Closure of mental health trust land.** The executive director, after consultation with the trust authority, may close trust land to any use inconsistent with 11 AAC 99.020.

**11 AAC 99.090. Classification, planning, and other designations.** (a) Alaska mental health trust land is designated and classified as trust land, to be managed consistently with AS 37.14.009, AS 38.05.801, and this chapter, with no further action required by the executive director or the department. Trust land may be used for any purpose that is consistent with 11 AAC 99.020 and other provisions of law. (b) The executive director, in consultation

with the trust authority, shall prepare and maintain an inventory of trust land and improvements. The inventory must contain, at a minimum, the legal description, size, and location of each parcel. (c) The executive director, in consultation with the trust authority, shall adopt and maintain a long-term asset management strategy that establishes goals for managing the trust land assets to execute the overall trust management principles of 11 AAC 99.020. The strategy shall be adopted, and may be amended, following public notice under 11 AAC 99.050. The strategy may not preclude the executive director from taking site-specific action on trust land that is consistent with 11 AAC 99.020 and other provisions of law. (e) Provisions of law applicable to other state land, including AS 38.04, AS 38.05.112, 38.05.113, 38.05.180(b), and AS 38.05.300, that require action that appears to be in conflict with this section do not apply to trust land unless determined by the executive director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The determination shall be stated in a written finding.

**11 AAC 99.100. Mining rights.** (a) Rights to locatable minerals on trust land are available only as provided in this section. To the extent that a statute or regulation applicable to other state land, including AS 38.05.185, 38.05.195, 38.05.205, and 38.05.245, contains a requirement that provides for or permits the acquisition of mineral rights, rights to prospect, or rights that open land to claim staking, mineral location, or leasehold location, that provision of law is considered inconsistent with 11 AAC 99.020, and does not apply to trust land. (b) The executive director, in consultation with the trust authority, shall open areas of trust land under one or more of the following methods, or under (c) of this section, which the executive director determines to be consistent with 11 AAC 99.020: (1) competitive lease; (2) exploration license; (3) negotiated agreement; (4) prospecting permit; (5) mineral entry; or (6) by other methods that the executive director considered appropriate. (c) If an area is not opened for the disposal of rights to locatable minerals under (b) of this section, a person may apply under 11 AAC 99.030 for an authorization to explore and prospect for or lease locatable minerals in that area. (e) The rent, royalty, and assessment work credit provisions of law applicable to other state land, including AS 38.05.211 and 38.05.212, do not apply to trust land unless determined by the executive director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The determination shall be stated in a written finding. (f) Nothing in this chapter affects valid mineral rights on trust land that existed at the time the land was designated as trust land.

**11 AAC 99.110. Direct use by beneficiaries.** A trust beneficiary, or an organization acting on behalf of a trust beneficiary wanting to use trust land to directly benefit persons as part of, or to fulfill, the trust authority's purpose to ensure a plan for an integrated, comprehensive mental health program prepared under AS 47.30.660(a)(1), may be granted use of trust land. Trust land use to be granted under this section must be approved by the authority.

**11 AAC 99.120. Confidentiality of materials.** (a) Every provision of law that provides for the confidentiality or inspection of public records that applies to the management of state land also applies to the management of trust land, unless its application is determined by the executive director in writing, on a case-by-case basis, to be inconsistent with 11 AAC 99.020. (b) Material, including verbally transmitted information determined to be confidential by the executive director under (a) of this section, shall be made available to the trust authority upon request, subject to the requirement that the material will remain confidential after receipt.

**11 AAC 99.130. Fees.** (a) Except as otherwise provided in this chapter, fees for services, documents, or actions to be performed or provided relating to trust land, other than consideration for real property interests, resources, or authorizations, will be based on an estimate of the administrative costs relating to providing the service, document, or action, including personnel, travel, and materials, to be incurred by the department. (b) The minimum fee for initial processing of an application shall be set by the executive director, in consultation with the Trust Authority, which is nonrefundable, unless the fee is waived by the executive director on the basis of overriding benefit to the trust. Subsequent processing costs, consistent with (a) of this section, will be estimated after the application is received. (c) Except for 11 AAC 05.030(a)(1) - (5), (7) and (8), and 11 AAC 05.270, statutes and regulations applicable to other state land that appear to be in conflict with this section do not apply to trust land unless determined by the executive director, on a case-by-case basis, to be consistent with 11 AAC 99.020. The determination shall be stated in a written finding.

**11 AAC 99.140. Application of other state and local law.** (a) The management of trust land is subject to the police power authority of the state and its political subdivisions to the same extent as private land, including compliance with AS 41.17. (b) Land designated as trust land by sec. 40(a)(1) and (2), ch. 5, FSSLA 1994, as amended

by sec. 4, ch. 1, SSSLA 1994, remains subject to all encumbrances and interests existing on the effective date of its designation as Alaska mental health trust land.

**11 AAC 99.990. Definitions.** In this chapter, in [AS 38.05.801](#), and elsewhere in the statutes and regulations as applied to trust land, and unless otherwise specified, (1) "Alaska mental health trust" and "trust" mean the Alaska mental health trust established under [AS 37.14.001](#) - 37.14.099, and administered under the trust instrument, which is composed of (A) the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)); (B) sec. 6(k) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339 (1958)); (C) [AS 09.25.050](#)(a); [AS 29.25.030](#); [AS 29.45.030](#); [AS 36.30.805](#)(b); [AS 37.05.146](#) and 37.05.540(b); [AS 37.13.030](#) and 37.13.300; [AS 37.14.001](#) - 37.14.099; [AS 38.05.801](#); [AS 38.07.030](#)(c); [AS 39.25.120](#)(c)(9) and (23); [AS 41.15.025](#); [AS 44.21.230](#)(a) and (d); [AS 44.25.200](#) - 44.25.295; [AS 44.29.022](#) - 44.29.140, 44.29.640(b), 44.29.660(13), 44.29.800, 44.29.810, 44.29.830(b), 44.29.850, 44.29.860; [AS 47.30.470](#) - 47.30.530, 47.30.540(b), 47.30.545, 47.30.547, 47.30.550(e), 47.30.590 - 47.30.610, 47.30.660, 47.30.910(d) and (g), and 47.30.915(20); [AS 47.37.040](#)(10) and 47.37.125; and 47.80.110; sec. 58, ch. 66, SLA 1991, as repealed and reenacted by sec. 37, ch. 5, FSSLA 1994 and amended by sec. 2, ch. 1, SSSLA 1994; sec. 40, ch. 5, FSSLA 1994, as amended by secs. 4 and 5, ch. 1, SSSLA 1994; sec. 41, ch. 5, FSSLA 1994, as amended by secs. 6 and 7, ch. 1, SSSLA 1994; secs. 42 - 46 and 48, ch. 1, SSSLA 1994; and secs. 1 and 2, ch. 6, FSSLA 1994; (D) the "Settlement Agreement and Stipulations to Terms of Dismissal," dated June 10, 1994, with attachments, in Weiss v. State (4FA-82-2208 Civil); and (E) the "Order," dated December 13, 1994, dismissing Weiss v. State (4FA-82-2208 Civil); (2) "Alaska mental health trust land," "trust land," and "land" when referring to that trust land, mean the land, and interests and resources in the land, including improvements to the land, referred to in sec. 40(a)(1) and (2), ch. 5, FSSLA 1994, as amended by sec. 4, ch. 1, SSSLA 1994; the terms also include land, and interests and resources in land, including improvements to the land, acquired by or on behalf of the trust by any other means after June 24, 1994; (3) "authority" and "trust authority" mean the Alaska Mental Health Trust Authority established by [AS 44.25.200](#); (4) "beneficiary" means a person who is a beneficiary of the mental health lands trust created by Congress in the Alaska Mental Health Enabling Act (P.L. 84-830, 70 Stat. 709 (1956)), including a resident of the state who is mentally ill, mentally defective or retarded, chronically alcoholic suffering from a psychosis, or senile and as a result of that senility suffers from a major mental illness, and any other person needing mental health services as the legislature may determine; (5) "commissioner" means the commissioner of the Department of Natural Resources; (6) "consult" means giving to the trust authority or its designee timely notice of the general terms and conditions of a proposed action, opportunity for a discussion of issues related to and consideration of the proposed action, opportunity to obtain relevant information, and opportunity to furnish comments and advice; (7) "department" means the Department of Natural Resources; (8) "disposal" means the transfer of land or resources, or of an interest in land or resources, but does not include (A) a permit or other authorization that is revocable by the executive director; (B) a sale of up to 500,000 board feet of timber or 100,000 cubic yards of materials; or (C) other nonrenewable authorizations for the private, exclusive use of land not to exceed one year, or for a private or public nonexclusive use; (9) "executive director" means the executive director or other officer designated by the commissioner as the head of the unit required by [AS 44.37.050](#), or the executive director's designee; (10) "other state land" means state land that is not Alaska mental health trust land.



**To:** Corri Feige, Chair  
Resource Management Committee  
**Through:** Jusdi Warner, Executive Director  
**From:** Cole Hendrickson, Minerals & Energy Resource Manager  
**Date:** 1/22/2026  
**Re:** Alaska LNG Project - MHT 9400930  
**Fiscal Year:** 2026

## Consultation

### Proposed RMC Motion:

*"The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the decision to issue a negotiated term easement to 8 Star Alaska, LLC for a portion of Trust parcels FM-1179, FM-1323, FM-1326, FM-1329, FM-1333, FM-1341, FM-1342, FM-1348, FM-1349, FM-1354, FM-1418, FM-1419, FM-1427, SM-1530-A01, and SM-7017."*

### Background:

**Revenue Projections:** Income **\$27,000 up to \$46,750 annually**

**Transaction/Resource:** A negotiated easement of Trust owned surface estate for the development of the Alaska LNG Project by 8 Star Alaska, LLC near Nenana and Tyonek. The authorization will be a 2 phased development, including a construction authorization for activities such as construction, appraisal, and survey, escalating to a term, non-exclusive easement with an initial term of 30 years with the ability to request extensions.

**Property Description/Acreage/MH Parcel(s):** Nenana & Tyonek, AK / Approximately 60 acres – 250 acres / FM-1179, FM-1323, FM-1326, FM-1329, FM-1333, FM-1341, FM-1342, FM-1348, FM-1349, FM-1354, FM-1418, FM-1419, FM-1427, SM-1530-A01, and SM-7017

**General Background:** The applicant is a subsidiary of the Alaska Gasline Development Corporation, created to manage the project, the Alaska LNG Project, a proposed natural gas pipeline and liquefaction facility to export gas from the North Slope. The project as a whole is an 807-mile pipeline, in which approximately 10 miles are proposed to cross Trust land, in the Nenana and Tyonek regions.

Primary development includes a buried 42-inch pipeline, to deliver natural gas in Alaska and to an LNG export facility in Nikiski. In addition to the primary corridor, several material sales may be authorized for the use of local sources of material for the development of the project. Development would begin with a larger development corridor managed by an Easement Construction License, up to an

approximate 500 feet wide at certain points reducing to an expected operation width of approximately 60 feet wide, with final easement width and length to be based on required survey along with operational and development plans.

In addition to land authorization, limited material sales on Trust land are anticipated in each region to source local material and will be handled on an as needed basis and are not anticipated to reach limits that trigger consultation requirements.

Pending all permitting and authorization processes, construction of segments of the project are slated to begin during 2026.

**Anticipated Revenues/Benefits:** Revenue to the Trust includes an annual rental fee starting at \$0.50/linear foot annually during the construction phase and escalating to be \$0.85/linear foot/annually and escalating in 5-year increments.

**Anticipated Risks/Concerns:** No unusual risks or concerns associated with the proposal are anticipated. Risks typically associated with this type of activity are regulated by various state agencies and will be governed by terms in the TLO easement agreement.

**Project Costs:** There are no unusual costs anticipated with the issuance and administration of the proposed easement.

**Other Considerations:** Upon completion of an as-built survey, to legally define the easement segments, an official easement will be recorded.

**Due Diligence:** The proposed easement will be a standard TLO easement document which is periodically reviewed and improved. TLO staff are familiar with the affected parcels and would inspect the property during all phases of the project to ensure compliance.

**Alternatives:** (1) Offer the parcel competitively, which is not warranted given the applicant's strategic agreements and land holdings that comprise of the entire project. (2) do not offer the land for development, which would result in nonperforming assets remaining as non-producers.

**Consistency with the Resource Management Strategy:** The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets.

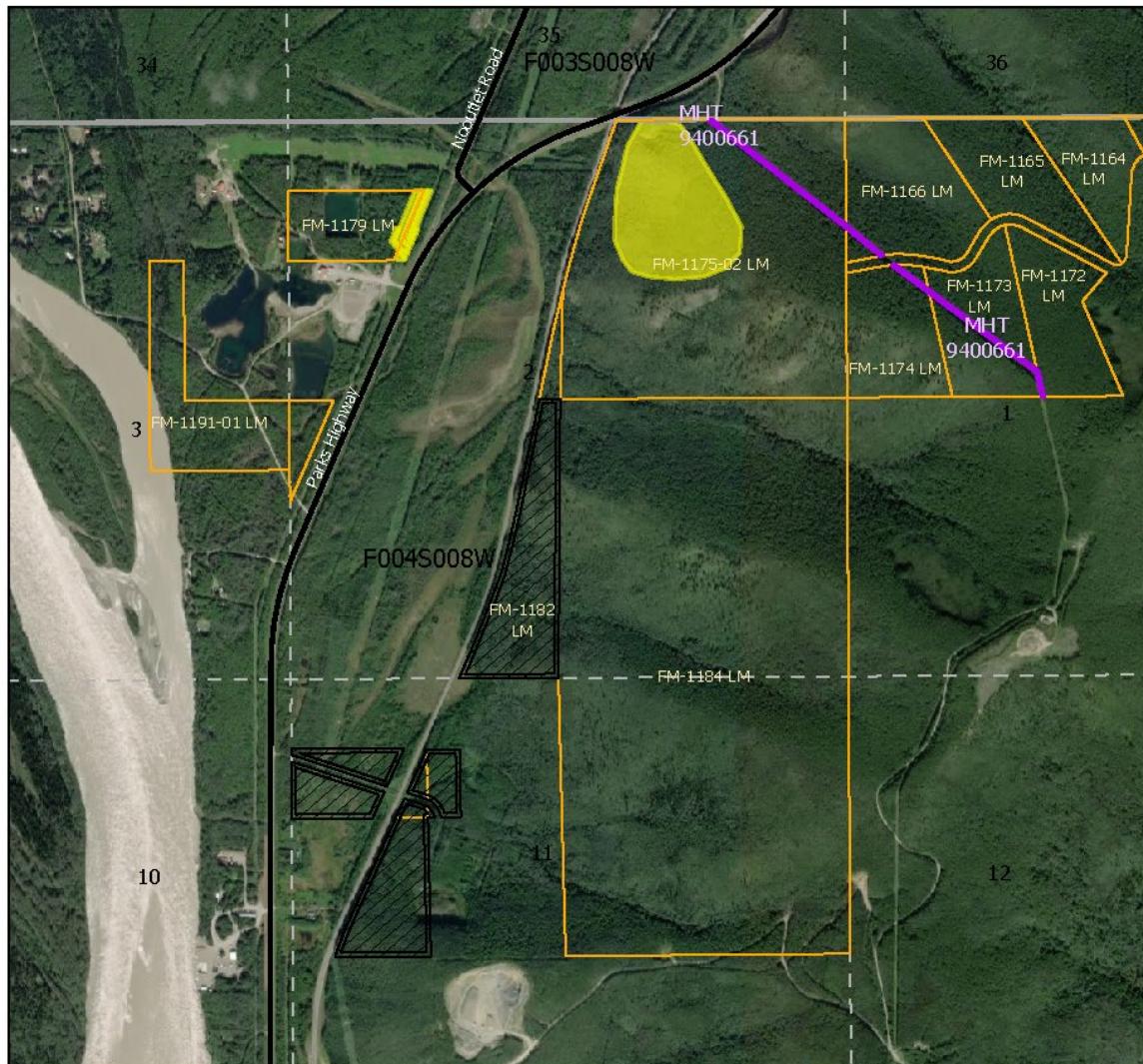
**Trust Land Office Recommendation:** Offer the described parcels on a negotiated basis to 8 Star Alaska, LLC as proposed.

**Applicable Authority:** Alaska Statutes AS 37.14.009(a), AS 38.05.801, 11 AAC 99

**Trust Authority Consultation:** This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

**Exhibit(s):**

Area maps

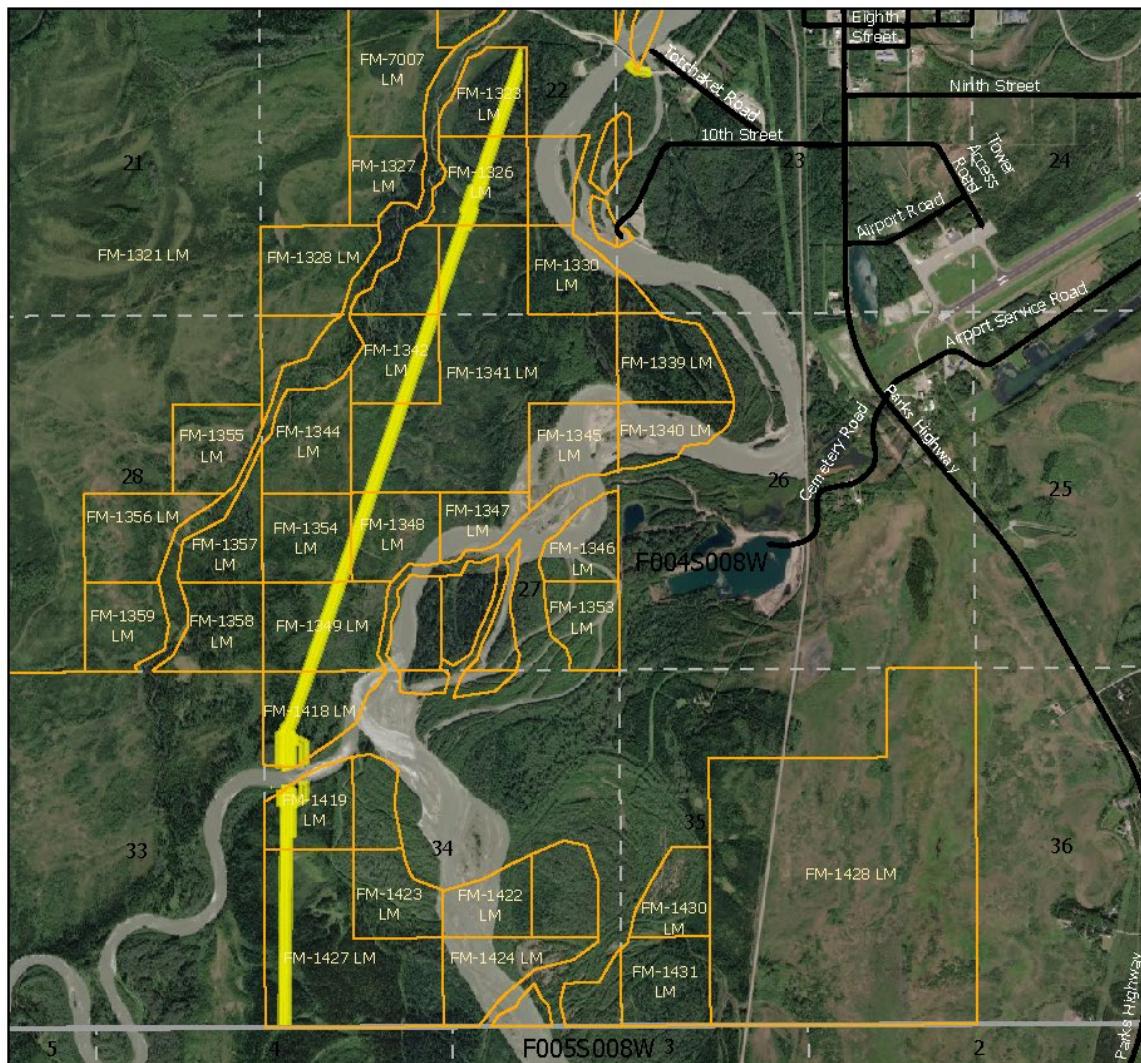


### MHT 9400930, Nenana

- Roads
- Land Lease
- Land Sale, Conveyed
- Land Sale, Contract
- Easement Area
- Land Use License Line
- Land Use License Area

0      0.25      0.5      1 Miles



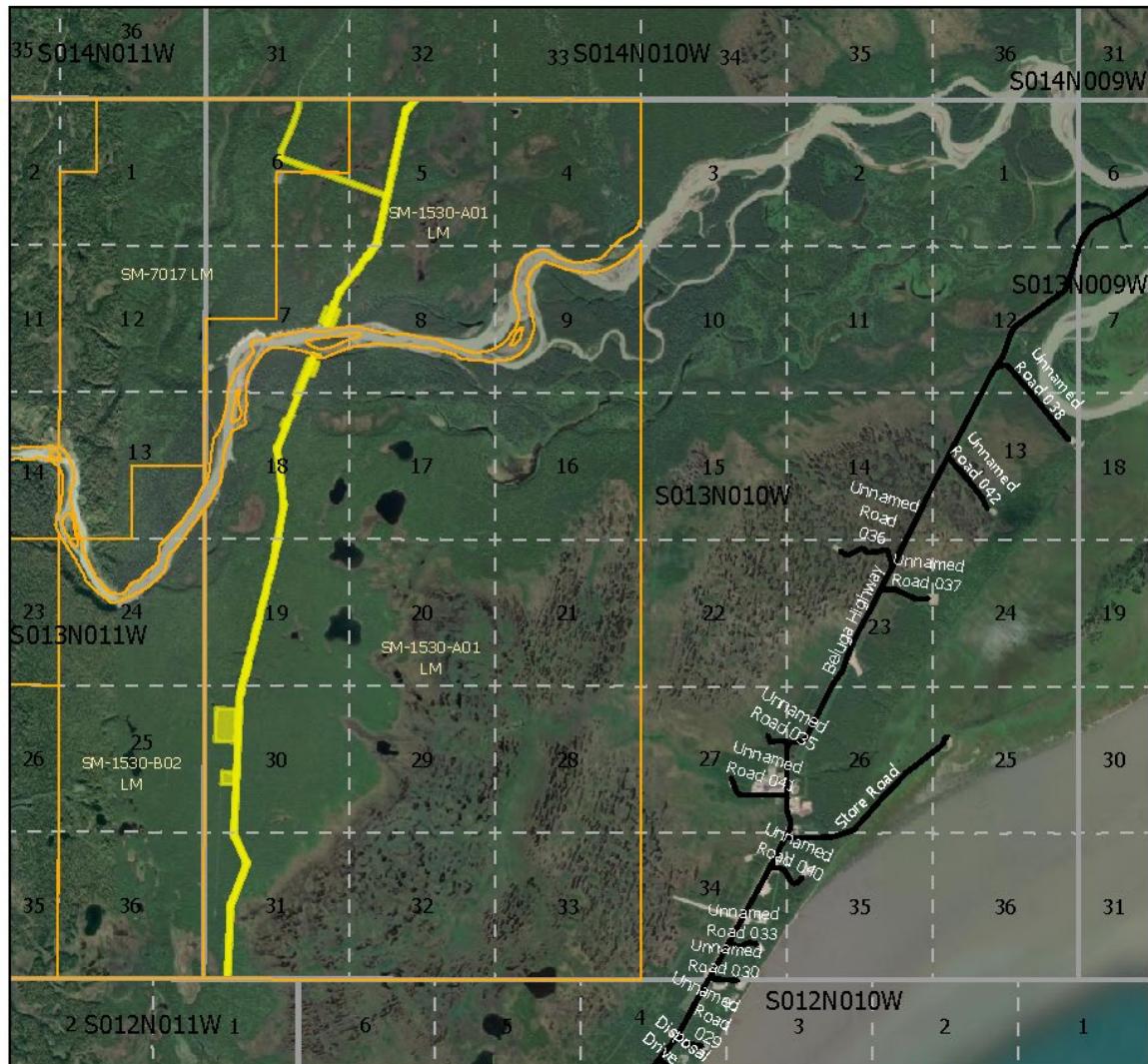


### MHT 9400930, Nenana

— Roads	○○○ Land Lease
■ Land Sale, Conveyed	○○○ Mental Health Parcel
■ Land Sale, Contract	□ PLSS Township
■■■ Easement Area	— PLSS Section
— Land Use License Line	
■■■ Land Use License Area	

0    0.25    0.5    1 Miles





### MHT 9400930, Tyonek

- Roads
- Land Lease
- Land Sale, Conveyed
- Land Sale, Contract
- Easement Area
- Land Use License Line
- Land Use License Area

0 0.5 1 2 Miles





**To:** Corri Fiege, Chair  
Resource Management Committee  
**Thru:** Jusdi Warner, Executive Director  
**From:** Cole Hendrickson, Minerals & Energy Resource Manager  
**Date:** 1/22/2026  
**Re:** Hilcorp Alaska, LLC – Negotiated Oil & Gas Lease – MHT  
9300103  
**Fiscal Year:** 2026

## Consultation

### Proposed RMC Motion:

*"The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the negotiated lease of Trust land, a portion of parcel S70437 near Tyonek with Hilcorp Alaska, LLC for the exploration and development of oil and gas resources."*

### Background:

<b>Revenue Projections:</b>	<b>Principal Income</b>	<b>Unknown \$3,440 - \$4,816 annually</b>
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**Transaction/Resource:** A negotiated lease of Trust owned hydrocarbon estate for the exploration and development of oil and gas by Hilcorp Alaska, LLC (Hilcorp) near Tyonek on the west side of Cook Inlet. The primary term will be five years and continued indefinitely by production.

**Property Description/Acreage/MH Parcel(s):** Tyonek, AK / 344.00 acres / MH Parcel S70437

**General Background:** The area of interest is a fee estate parcel owned by the Trust, adjacent to the northern portion of the Granite Point Unit in which Hilcorp operates within the waters of Cook Inlet.

Hilcorp proposes to target the historic structure known as the Kaloa structure, with tentative plans to drill one initial well in late 2026 from the Trust parcel, followed by additional wells if conditions warrant.

**Anticipated Revenues/Benefits:** Revenue to the Trust includes an annual rental fee starting at \$10/acre/year and escalating to \$14/acre/year for lease year 5, and increasing annually should production continue during the agreement past the 5-year term. Rental fees are a credit against the royalty due on production for that lease year. Any production that occurs will be subject to a 12.5 percent royalty.

**Anticipated Risks/Concerns:** No unusual risks or concerns associated with the proposal are anticipated. Risks typically associated with this type of activity are regulated by various state agencies and will also be governed by terms in the TLO oil and gas lease.

**Project Costs:** There are no unusual costs anticipated with the issuance and administration of the proposed lease.

**Other Considerations:** The applicant of this disposal is a well-known developer of oil and gas projects in the Alaska and remains to be one of the sole bidders in State of Alaska competitive bids for Cook Inlet Oil & Gas Leases for years. Offering the lands to Hilcorp on a negotiated basis is the best way to secure the Trust's desired and developed terms.

**Due Diligence:** The leasing process and the lease terms have been determined as a result of industry standards. The TLO staff are generally familiar with the proposed leased area.

**Alternatives:** (1) Offer the parcel competitively, which is not warranted given the applicant's experience and land position in the area; (2) do not offer the land for oil and gas development which would not be the highest and best use of the land and resource.

**Consistency with the Resource Management Strategy:** The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted in 2021 in consultation with the Trust and provides for the disposal of Trust hydrocarbon resources on a negotiated bases in certain circumstances. Given that Hilcorp was the only bidder to lease State of Alaska land within Cook Inlet for the exploration and development of oil & gas, the likelihood of finding another party in the region who will have the capacity to develop the Trust resources as Hilcorp is significantly lower as shown by the recent results of the State's process.

**Trust Land Office Recommendation:** Lease the described acreage on a negotiated basis to Hilcorp as proposed.

**Applicable Authority:** AS 37.14.009(a), AS 38.05.801, 11 AAC 99.

**Trust Authority Consultation:** This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

**Exhibit(s):**

Location Map

