



**STATE OF ALASKA**  
**OFFICE OF THE GOVERNOR**  
**JUNEAU**

**ADMINISTRATIVE ORDER NO. 242**

I, Sarah Palin, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24, of the Alaska Constitution, and in the interests of efficient administration in accordance with AS 44.17.060, direct the Department of Natural Resources and the Department of Revenue to assist entities, to the extent consistent with state and federal law, in pursuing development of an economically and technically viable liquefied natural gas (LNG) project in this state, such as the project envisioned by the Alaska Gasline Port Authority (AGPA).

**PURPOSE**

The purpose of this Order is to help facilitate development of an LNG project that uses North Slope natural gas transported on the mainline natural gas pipeline developed under a license issued under the Alaska Gasline Inducement Act, AS 43.90.010 - 43.90.990 (AGIA). An LNG project would focus on liquefaction facilities and facilitating agreements between LNG buyers and natural gas producers, and could also include gas conditioning facilities on the North Slope, pipeline transportation from the mainline to liquefaction, and fractionation facilities at tidewater, as well as the liquefaction facilities.

**FINDINGS**

1. It is in the best interests of the people of this state and the nation that increased natural gas exploration and production occur in this state and that the necessary transportation and processing facilities be developed to move the natural gas to both in-state and out-of-state energy markets.
2. As provided in AGIA at AS 43.90.250 and 43.90.260, state agency resources associated with developing the AGIA licensed mainline natural gas pipeline will be coordinated through the AGIA coordinator. It is in the best interests of the people of this state to also coordinate state agency resources associated with developing pipeline transportation from the AGIA licensed mainline natural gas pipeline to LNG facilities, and the development of LNG facilities, equipment, related infrastructure, and other LNG-related activities.

## ORDER

To further these findings, I, Sarah Palin, Governor of the State of Alaska, order and declare the following:

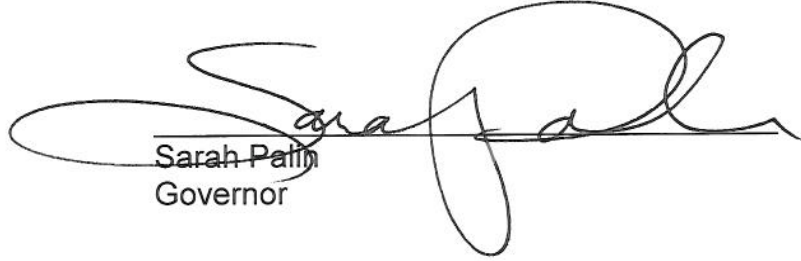
1. The Department of Natural Resources and the Department of Revenue will, consistent with state and federal laws, assist entities with economically and technically viable LNG project plans that propose to use North Slope gas transported from the mainline natural gas pipeline developed under an AGIA license.
2. The commissioner of the Department of Natural Resources is authorized to assess and coordinate state agency permitting activities necessary to facilitate development of an LNG project that proposes to use North Slope gas, transported from the mainline natural gas pipeline developed under an AGIA license, for in-state and out-of-state energy markets.
3. The commissioner of the Department of Natural Resources and the commissioner of the Department of Revenue may individually or jointly delegate within their departments to facilitate assistance for an in-state LNG project as provided in this Order.
4. Consistent with AS 44.23.020, the attorney general, as legal advisor for the state, shall provide legal services to the Department of Natural Resources and Department of Revenue.

## OTHER PROVISIONS

1. This Order is for administrative purposes only. It neither creates any third-party rights nor modifies the statutory and regulatory authority of any state agency.
2. Nothing in this Order affects the authorities or responsibilities of state agencies with permitting, authorization, or oversight authority over natural gas activities and developments, including advocacy by the Department of Law before the Federal Energy Regulatory Commission and state regulatory commissions, and including the state's commitments under AS 43.90.010 - 43.90.990 or any later enacted statute concerning oil and gas activities or development.

This Order takes effect immediately.

DATED at 4:12, Alaska, this 20<sup>th</sup> day of August, 2008.



Sarah Palin  
Governor