

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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NOTICE OF SALE

ALASKA PENINSULA AREAWIDE 2009 COOK INLET AREAWIDE 2009 COMPETITIVE OIL AND GAS LEASE SALES

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), is offering lands for competitive oil and gas leasing in the Alaska Peninsula (AP) and Cook Inlet Areawide (CI) 2009 Oil and Gas Lease Sale on May 20, 2009. Bid opening begins at 9:00 a.m. at the Dena'ina Civic Convention Center, 600 W. 7th Avenue, Anchorage. Please note the new location.

The Alaska Peninsula Areawide 2009 sale area encompasses approximately 5.8 million acres and is divided into 1,047 tracts ranging in size from 1,280 to 5,760 acres. The sale area encompasses onshore and offshore acreage that stretches from the Nushagak Peninsula in the north, down the north side of the Alaska Peninsula to just north of Cold Bay. Tracts 1027, 1028, 1031, 1032, 1036, 1037, 1042 and 1043, located in T.53&54S., R.85W., Seward Meridian are deferred from this sale.

The Cook Inlet Areawide 2009 sale area encompasses approximately 4 million acres and is divided into 815 tracts ranging in size from 640 to 5,760 acres located in the Matanuska and Susitna valleys, the Anchorage bowl, the western and southern Kenai Peninsula from Pt. Possession to Anchor Point, on the western shore of Cook Inlet from the Beluga River to Harriet Point, and within Cook Inlet. Tracts 276, 279, 346, 347, 425, 426, 428 and 429, located in T.9N., R.10&11W. and T.10&11N., R.10W, Seward Meridian are deferred from this sale.

Alaska Peninsula Areawide 2009

Bid Submission: Bids must be received by DO&G no later than 4:00 p.m. May 18, 2009.
Bidding Method: Cash bonus bidding with a minimum bid of five dollars (\$5) per acre on all tracts.
Royalty Rate: All leases will have a fixed royalty rate of twelve and one-half percent (12 1/2%).
Lease Term: All leases will have an initial primary term of ten (10) years.

Cook Inlet Areawide 2009

Bid Submission: Bids must be received by DO&G no later than 4:00 p.m. May 18, 2009.
Bidding Method: Cash bonus bidding with a minimum bid of ten dollars (\$10.00) per acre on all tracts except for Tract 597. The minimum bid for Tract 597 is one thousand dollars per acre (\$1,000.00).
Royalty Rate: All leases will have a fixed royalty rate of twelve and one-half percent (12 1/2% except for Tract 597. Tract 597 will have a fixed royalty rate of seventeen and seven hundred and seven one-thousandths percent (17.707%).
Length of Lease: Leases for tracts 11-13, 15-17, 33, 34, 36-46, 62, 63, 65-69, 72, 91-95, 97, 98, 133-137, 140, 163-171, 174, 200, 276, 279-281, 283-287, 289, 342, 345-354, 357, 360, 361, 396, 397, 399-403, 414, 415, 418, 420, 421, 425, 428, 429, 476-484, 487, 490, 735 will have a primary term of ten years. All other leases will have a primary term of seven years.

Rental

Annual rental is \$1.00 per acre for the first year, \$1.50 per acre for the second year, \$2.00 per acre for the third year, \$2.50 per acre for the fourth year, and \$3.00 per acre for the fifth and following years.

Bidder Information

Complete details regarding the lease sale, including the entire sale announcement, instructions to bidders, and regional tract maps are available on the division's website at <http://www.dog.dnr.state.ak.us/>. If unable to access this information, contact Tim Jones by phone at (907) 269-8814; email timothy.jones@alaska.gov. Sale announcements and regional tract maps are also available in the following locations:

Alaska Peninsula: Bristol Bay Middle/High School, King Cove School, Cold Bay School, Sand Point School, False Pass School, Nelson Lagoon School, Akutan School, Bristol Bay Borough offices, Lake and Peninsula Borough offices, Aleutians East Borough offices and Loussac Public Library in Anchorage.

Cook Inlet: Public libraries in Palmer, Wasilla, Kenai, Ninilchik, Homer, Soldotna, Anchor Point and Seldovia; the Loussac Public Library in Anchorage; the Matanuska-Susitna Planning Dept. offices in Palmer; the Kenai Peninsula Borough Planning Dept. offices in Soldotna; and the Anchorage Municipal Clerk's office.

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

Decision of No Substantial New Information for Alaska Peninsula Areawide 2009 Sale

The commissioner has issued a Decision of No Substantial New Information for the AP 2009 sale, which is available on the division's website and at the above-mentioned locations.

Cook Inlet Areawide Oil and Gas Lease Sale Best Interest Finding

On January 20, 2009 the director of DO&G issued a final written finding under AS 38.05.035(e) and (g) that sets forth the facts, policies, and applicable laws upon which the director based his determination that oil and gas lease sales in the Cook Inlet area will best serve the interests of the state. The finding is available on the division's website and at the above-mentioned locations.

DNR reserves the right to waive technical defects in this publication.

Compliance with the Americans with Disabilities Act of 1990

This publication will be made available in alternative communication formats upon request. Please contact Tim Jones at (907) 269-8814 to make any necessary arrangements.

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Kevin Banks,
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