

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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NOTICE OF SALE ALASKA PENINSULA AREAWIDE 2012 AND COOK INLET AREAWIDE 2012W COMPETITIVE OIL AND GAS LEASE SALES

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), will offer state lands for competitive oil and gas leasing in the Alaska Peninsula Areawide 2012 (AP 2012) Competitive Oil and Gas Lease Sale and the Cook Inlet Areawide 2012W (CI 2012W) Competitive Oil and Gas Lease Sale.

Bid opening will begin at 9:00 a.m. on May 16, 2012 at the Dena'ina Civic and Convention Center, located at 600 W. 7th Avenue, Anchorage.

The Alaska Peninsula Areawide lease sale area is divided into 1,047 tracts ranging in size from 1,280 to 5,760 acres. The sale area consists of state-owned uplands and tide and submerged lands located on the north side of the Alaska Peninsula, stretching from the Nushagak Peninsula to just north of Cold Bay.

The Cook Inlet Areawide lease sale area is divided into 815 tracts ranging in size from 35 to 5,760 acres. The sale area consists of state-owned uplands and tide and submerged lands located in the Matanuska and Susitna valleys, the Municipality of Anchorage, the western and southern Kenai Peninsula from Point Possession to Anchor Point, the western shore of Cook Inlet from the Beluga River to Harriet Point, and within Cook Inlet.

Alaska Peninsula Areawide 2012

Bidding Method: All tracts - cash bonus bidding with a minimum bid of \$5.00 per acre
Royalty Rate: All tracts - a fixed royalty rate of twelve and one-half percent (12.5%)
Length of Lease: All tracts - 10 years
Deferred Tracts: None
Rental Rates: 1st year – \$1.00/acre; 2nd year – \$1.50/acre, 3rd year – \$2.00/acre;
4th year - \$2.50/acre; 5th and following years – \$3.00/acre

Cook Inlet Areawide 2012W

Bidding Method: All tracts - cash bonus bidding with a minimum bid of \$25.00 per acre
Royalty Rate: All tracts - a fixed royalty rate of twelve and one-half percent (12.5%)
Length of Lease: All tracts - 10 years
Deferred Tracts: Tracts 272 and 376.
Rental Rates: 1st year through 7th year: \$10.00/acre; 8th year through 10th year: \$250.00/acre; except that annual rentals may revert to \$10.00/acre after sustained production, or at the state's discretion after the lessee meets certain conditions. (See Sale Announcement for full details.)

Bidder Information

Complete details regarding these lease sales, including the sale announcements in their entirety, instructions to bidders, bid forms, and tract maps are available on the DO&G website at <http://dog.dnr.alaska.gov/index.htm>. These documents 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, Z.J. Loussac Public Library in Anchorage; Bristol Bay Borough offices, Lake and Peninsula Borough offices, and Aleutians East Borough offices.

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

If unable to access this information, contact Allen R. Eddy Jr. at (907) 375-8259 or allen.eddy@alaska.gov.

"To responsibly develop Alaska's resources by making them available for maximum use and benefit consistent with the public interest."

Decision of Substantial New Information for Alaska Peninsula and Cook Inlet Areawide 2012 Oil and Gas Lease Sales

On October 12, 2011, the DO&G issued a Call for New Information for the AP 2012 and CI 2012W lease sales. The DO&G requested any new information to publication of the Alaska Peninsula 2005 and Cook Inlet 2009 findings. Based upon the information received in response to the Call for New Information, the DO&G issued a Decision of No Substantial New Information on January 6, 2012.

Americans with Disabilities Act Compliance

The State of Alaska, ADNR, DO&G complies with Title II of the Americans with Disabilities Act 1990. This publication will be made available in alternative communication formats upon request. Please contact Allen R. Eddy Jr. at (907) 375-8259 to make any necessary arrangements.



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