



March 7, 2014

**NOTICE OF SALE
ALASKA PENINSULA AREAWIDE 2014 AND
COOK INLET AREAWIDE 2014W
COMPETITIVE OIL AND GAS LEASE SALES**

The Alaska Department of Natural Resources (DNR), Division of Oil and Gas (DO&G), is giving notice pursuant to AS 38.05.945(a)(4) that it is offering state lands for competitive oil and gas leasing in the Alaska Peninsula Areawide 2014 (AP 2014) Competitive Oil and Gas Lease Sale and the Cook Inlet Areawide 2014W (CI 2014W) Competitive Oil and Gas Lease Sale. This notice is available on the State of Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices/>.

Bid submission – Monday, May 5, 2014 from 9:00 a.m. to 4:00 p.m. at Suite 800 of the Atwood Building, 550 West 7th Avenue, Anchorage, Alaska or by mail.

Bid opening – Wednesday, May 7, 2014 from 9:00 a.m. until all bids are read at the Dena'ina Civic and Convention Center, 600 West 7th Avenue, Anchorage, Alaska.

Areawide Lease Sale Locations

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 100 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.

Sale Documents

Complete details regarding the AP 2014 and CI 2014W lease sales, including Notice of Sale, Sale Announcement and Instructions to Bidders, Attachment A with estimated tract acreage figures and deferred tracts, lease forms, mitigation measures, Bid Form for DNR Areawide Oil & Gas Lease Sale, and tract map, are on the DO&G website at <http://dog.dnr.alaska.gov/Leasing/PreviousSales.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, call the Leasing Section at (907) 269-8800 or email dog.leasing@alaska.gov.

Sale Terms and Conditions

Alaska Peninsula Areawide 2014 Competitive Oil and Gas Lease Sale Terms and Conditions						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
All AP 2014 Tracts	Cash Bonus	\$5.00 per acre	12.5% Fixed	10 Years	Year 1: \$1.00 per acre Year 2: \$1.50 per acre Year 3: \$2.00 per acre Year 4: \$2.50 per acre Years 5+: \$3.00/acre	DOG201308

Cook Inlet Areawide 2014W Competitive Oil and Gas Lease Sale Terms and Conditions						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
All CI 2014W Tracts	Cash Bonus	\$25.00 per acre	12.5% Fixed	10 Years	Years 1 – 7: \$10.00 per acre Years 8+: \$250.00 per acre	DOG201308W

Annual rental for leases awarded in the CI 2014W sale will be as listed above, except that beginning in the year after the year in which sustained production commences on the lease or the state otherwise determines in its sole discretion, upon request, that the lessee has exercised reasonable diligence in exploring and developing the lease, the annual rental will be \$10.00 per acre or fraction of an acre. In evaluating a request to decrease rental based on the exercise of reasonable diligence, the state will consider the funds expended by the lessee to explore and develop the lease and the types of work completed by or on behalf of the lessee on this lease.

Tracts Deferred or Deleted from Sale

Deferred lease sale tracts will not be offered for lease in this sale, but may be included in future lease sales. DO&G reserves the right to delete or defer any additional acreage or tracts from the sale at any time prior to issuance of the lease. Currently deferred or deleted lease sale tracts are listed on Attachment A of the Sale Announcement and Instructions to Bidders at <http://dog.dnr.alaska.gov/Leasing/PreviousSales.htm>.

Best Interest Findings to Offer Oil and Gas Leases In Areawide Sales

The AP 2014 and CI 2014W lease sales are being held under AS 38.05.035(e)(6)(F) and AS 38.05.180. On October 9, 2013, DO&G issued a Call for New Information for the 2005 Alaska Peninsula and 2009 Cook Inlet best interest findings authorizing the Areawide lease sales. 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 17, 2014.

The Alaska Peninsula Areawide and Cook Inlet Areawide final best interest findings and supplements are available on the DO&G website at <http://dog.dnr.alaska.gov/Leasing/BestInterestFindings.htm> and at the DO&G office in Anchorage.

Americans with Disabilities Act Compliance

The State of Alaska, DNR, 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 call the Leasing Section at (907) 269-8800 or email dog.leasing@alaska.gov to make any necessary arrangements.



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