



March 23, 2018

**NOTICE OF SALE
ALASKA PENINSULA AREAWIDE 2018 and
COOK INLET AREAWIDE 2018W
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 2018 (APA 2018) and the Cook Inlet Areawide 2018W (CIA 2018W) Competitive Oil and Gas Lease Sales. This notice is available on the State of Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices/>.

In-person bid submission – Monday, May 7, 2018 from 9:00 a.m. to 4:00 p.m. at Suite 1100 of the Atwood Building, 550 West 7th Avenue, Anchorage, Alaska or by mail to DNR Division of Oil & Gas, Attn: Lease Sale, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3563.

Public bid opening – Wednesday, May 9, 2018 from 9:00 a.m. until all bids are read at Suite 102 of the Atwood Building, 550 West 7th Avenue, Anchorage, Alaska.

Areawide Lease Sale Locations

The Alaska Peninsula Areawide lease sale encompasses about 4 million gross onshore acres and 1.75 million gross acres of offshore State waters. There are 1,047 tracts ranging in size from 640 to 5,760 acres. The sale area is located on the north side of the Alaska Peninsula. It stretches from the Nushagak Peninsula in the north, then south and west to the vicinity of Cold Bay. The sale area lies within the Aleutians East Borough, Bristol Bay Borough, Lake & Peninsula Borough, and the Dillingham Census Area.

The Cook Inlet Areawide lease sale encompasses about 4.2 million gross acres divided into 815 tracts currently ranging in size from 640 to 5,760 acres. These tracts are located within the Municipality of Anchorage and the Matanuska-Susitna and Kenai Boroughs, and consist of State-owned uplands located in the Matanuska and Susitna river valleys generally south and west of Houston and Wasilla, the Anchorage bowl, and the western shore of Cook Inlet from Beluga River to Harriet Point. The lease sale area also includes the tide and submerged lands in upper Cook Inlet from Knik Arm and Turnagain Arm south to Anchor Point and Tuxedni Bay. The area is bounded on the east by the Chugach and Kenai Mountains and on the west by the Aleutian Range.

Sale Documents

Complete details regarding these lease sales are on the DO&G website at <http://dog.dnr.alaska.gov/Services/BIFAndLeaseSale> under Current Lease Sales. Sale documents include this Notice of Sale, Sale Announcement and Instructions to Bidders, Attachment A with estimated acreages and deferred tracts, lease forms, mitigation measures, Bid Form for DNR Areawide Oil & Gas Lease Sale, and tract map. These documents are also available in the following locations:

Alaska Peninsula: King Cove School Library, Sand Point School Library, Chignik Bay School Library, Dillingham Public/School Library, Egegik Village Library, and Pilot Point Library; Z.J. Loussac Public Library in Anchorage; Alaska Resources Library & Information Services on the University of Alaska Anchorage campus; Bristol Bay Borough offices in Naknek; Lake and Peninsula Borough offices in King Salmon; and Aleutians East Borough offices in Sand Point.

Cook Inlet: Public libraries in Wasilla, Ninilchik, Homer, Soldotna, Anchor Point, Seldovia, and Willow; Tebughna School Library; Matanuska-Susitna Borough Planning Department offices in Palmer; Kenai Peninsula Borough Planning Department offices in Soldotna; Municipality of Anchorage Clerk's office; Z.J. Loussac Public Library in Anchorage; and Alaska Resources Library & Information Services on the University of Alaska Anchorage campus.

If you are unable to access this information, call the Leasing Section at (907) 269-8800 or email dog.leasing@alaska.gov. You may subscribe to lease sale email announcements at <http://list.state.ak.us/mailman/listinfo/DOG.Licensing>.

Sale Terms and Conditions

Alaska Peninsula Areawide 2018 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 APA 2018 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 5-10: \$3.00 per acre	DOG201710

Cook Inlet Areawide 2018W 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 CIA 2018W Tracts	Cash Bonus	\$15.00 per acre	12.5% Fixed	8 Years	Years 1-8: \$10.00 per acre	DOG201710W

New Lease Provisions

Lease forms DOG 201710 and DOG 201710W listed in the **Sale Terms and Conditions** section of this document include changes from lease forms DOG 201503 and DOG 201503W most recently used by the Division for the 2017 Alaska Peninsula and Cook Inlet Areawide lease sales.

The changes include the following new lease provision with re-numbering of subsequent paragraphs.

37. LESSEE SALES INFORMATION

The following lease paragraphs have been changed:

4. EXTENSION (d)
5. RENTALS (a) in DOG 201710W and 5.RENTALS (b) – (d) in DOG 201710
6. RECORDS (a) and (b)
7. APPORTIONMENT OF ROYALTY FROM APPROVED UNIT
10. PLAN OF DEVELOPMENT (a) and (b)
13. DILIGENCE AND PREVENTION OF WASTE (d)
15. UNITIZATION (d)
20. DEFAULT AND TERMINATION; CANCELLATION (a)
23. BONDS (a) and (d)
31. LOCAL HIRE
38. ROYALTY IN VALUE (re-numbered paragraph)

In addition, there are deletions in the following lease paragraphs:

9. PLAN OF OPERATIONS (h)

Tracts Deferred or Deleted from Sale

Deferred or deleted 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. Check <http://dog.dnr.alaska.gov/Services/BIFAndLeaseSale> for updated Attachment A documents.

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

These lease sales are being held according to AS 38.05.035(e) and AS 38.05.180. Under these statutes, land that is subject to a best interest finding issued within the previous 10 years may be offered for oil and gas leasing. The finding sets forth the facts, policies, and applicable laws and regulations upon which the Director based the determination that oil and gas lease sales in an Areawide sale will

best serve the interests of the State. Every year, the Director makes a request for substantial new information that may justify a supplement to the finding and issues a response to information received. Best interest finding documents and supplements for these sales can be found on the DO&G website at <http://dog.dnr.alaska.gov/Services/BIFAndLeaseSale> under Best Interest Findings and by searching with filters for Name and Region at <http://dog.dnr.alaska.gov/Information/DocumentLibrary>. If you are unable to access this information, call the Leasing Section at (907) 269-8800 or email dog.bif@alaska.gov.

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 (907) 269-8800 or email dog.leasing@alaska.gov to make any necessary arrangements.



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