

# STATE OF ALASKA

Department of Natural Resources

Division of Oil and Gas

*Tony Knowles, Governor*

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ANCHORAGE, ALASKA 99501

August 15, 2000

Phone: 269-8804

## NOTICE OF SALE

ORIGINAL

### STATE OF ALASKA

### BEAUFORT SEA AREAWIDE 2000 OIL AND GAS LEASE SALE

The Department of Natural Resources, Division of Oil and Gas (DO&G), notices under AS 38.05.945(a)(4), that it will offer 516 state-owned tracts for lease in the Beaufort Sea Areawide 2000 Oil and Gas Lease Sale. The sale will be held in Anchorage at the Loussac Public Library's Wilda Marston Theatre at 8:30 a.m., November 15, 2000. The sale area covers approximately two million acres of tide and submerged lands in the Beaufort Sea between the Canadian Border and Point Barrow. Activities resulting from this sale may affect the communities of Nuiqsut, Barrow and Kaktovik and the community of Deadhorse.

DO&G has prepared an official tract map which displays the location of all tracts within the sale area. Only those lands, within the sale area, not covered by existing leases as of July 10, 2000 will be considered available for leasing. Lands released from leased status after that date would then be offered in Beaufort Sea Areawide 2001, scheduled for October 2001.

The exact amount of the net leaseable acreage in each tract will not be determined until after the bids are received. At that time DO&G will complete a comprehensive evaluation of the lands within the tracts that received bids to determine which lands are available for lease. Acreage not owned by the state, already subject to an oil and gas lease, or clouded by title claims will be excluded from the tract area.

#### State/Federal Boundaries

The location of Alaska's Territorial Sea Boundary and the seaward boundaries of NPRA and ANWR have been the subject of a dispute between the United States of America and the State of Alaska pending before the U. S. Supreme Court, (U. S. v Alaska, Supreme Court Original no. 84). At issue was the ownership of a sizable amount of tide and submerged lands along these borders. In June of this year the U. S. Supreme Court issued its final decree, thus settling major points of this dispute. The boundary depicted on the state's tract maps for Beaufort Sea Areawide 2000 reflect the final boundaries as agreed upon by the parties involved in this

litigation. The sole exception is the boundary between ANWR and Alaska's tide and submerged lands and uplands. The state of Alaska and the U. S. Fish and Wildlife Service have been unable to come to agreement regarding some of the minor differences in the exact location regarding the boundaries of this withdrawal. The boundaries shown on the state's tract maps have been defined for purposes of oil and gas leasing and represent only Alaska's opinion as to the current location of the boundary of ANWR.

### **Tract Map**

A tract map has been prepared to assist in identifying unleased acreage that may be available for lease. This map is a graphical representation only, source documents remain the official record. Potential bidders are advised that they are solely responsible for determining the availability and leasability of any acreage prior to the submission of any bid.

### **Sale Terms**

Bidding for the sale will be a cash bonus with a minimum bid of **ten dollars (\$10) per acre** on all tracts. Leases issued on **Tracts 78 through 467** will have a fixed royalty rate of **sixteen and two thirds percent (16.66666%)** and will have a lease term of **seven (7) years**. Leases issued on **Tracts 40 through 77, Tracts 468 through 554 and Tract 556** will have a fixed royalty rate of **twelve and one half percent (12.5%)** and will have a lease term of **ten (10) years**.

### **Best Interest Finding and ACMP Consistency Determination**

In support of this lease sale, the director of DO&G has prepared a written final finding and decision under AS 38.05.035(e) and (g), which sets forth the facts, policies, and applicable laws upon which he has based his determination that this sale will best serve the interests of the state. In addition, a final coastal zone consistency determination has been made that this sale is consistent with the Alaska, and North Slope Borough's Coastal Management Programs (ACMP) under AS 46.40.

This finding was issued on July 15, 1999 with the sale was scheduled for October of that year. On September 21, 1999, DNR issued an announcement postponing the sale pending the BP/ACRO merger. Although the decision that the sale was in the best interest of the state was made when the final finding was issued and no further action was required, DO&G issued a call for New Information on March 8, 2000, because of the amount of time between July 1999 and November 2000.

Based on the information received as a result of this call for comments, on August 15, 2000, DO&G issued a Decision to Supplement the best interest finding with a **supplement to Chapter 5, Reasonably Foreseeable Effects**. This decision also contains the division's responses to each comment received.

### **Appeal Procedures**

This Decision to Supplement is a final administrative decision of the department. A person who is aggrieved by the decision to supplement the best interest finding or the division's responses to comments received, may request the commissioner to reconsider these actions under AS 35.05.035(i) and (j). To be eligible, an appellant must have meaningfully participated in the finding process by either submitting written comments during the prescribed comment periods,

or by presenting oral testimony at a public hearing regarding the sale. A request for reconsideration must be received by the Commissioner, Department of Natural Resources, in Suite 1410 of the Atwood Building, located at 550 W. 7<sup>th</sup> Ave., in Anchorage, Alaska 99501, or received by fax at (907) 269-8918 by **5:00 p.m. (ADT), September 5, 2000**. If the commissioner fails to act on the request for reconsideration by **September 14, 2000**, the request is considered denied.

A denial of a request for reconsideration is the final administrative decision for purposes of appeal to Superior Court. A person may appeal the Decision to Supplement to the Superior Court only if the person was eligible to request, and did request, an administrative reconsideration of the finding by the commissioner. An appellant must initiate an appeal to the Superior Court within 30 days from the date of denial of that reconsideration or from the date of distribution of the denial decision, in accordance with the rules of court and to the extent permitted by applicable law.

### **Sale Information**

Copies of the Final Finding for Beaufort Sea Areawide Sale are available for public review at the following locations: Nuiqsut Public Library, North Slope Borough Library Media Center, North Slope Borough offices, Tuzzy Consortium Library in Barrow, City of Barrow Municipal Offices, Kaveolook School Library in Kaktovik and Loussac public library in Anchorage.

Copies of the Sale Announcement w/Mitigation Measures, Instructions to Bidders w/ Estimated acreage figures (Attachment A), Bid forms, Final Finding and Supplement, and Tract maps are available from DNR in the following manners:

-DO&G's Webpage: **[www.dnr.state.ak.us/oil](http://www.dnr.state.ak.us/oil)**:

- Paper copies (except the final finding) during regular office hours, from DO&G, Atwood Building, 550 West 7<sup>th</sup> Ave., Suite 800: in Anchorage, or by writing DO&G , 550 West 7<sup>th</sup> Ave., Suite 800, Anchorage, Alaska 99501, Attn: Suzanne Gaguzis. Phone: 269-8803, email at [msg@dnr.state.ak.us](mailto:msg@dnr.state.ak.us),

-CD-ROM containing a copy of the Tract Map in PDF format;

Contact: State of Alaska

Support Services / Land Record Information Section

550 West 7<sup>th</sup> Avenue, Suite 706 Anchorage, AK 99501

Fax: 907-269-8920, email at [gispubac@dnr.state.ak.us](mailto:gispubac@dnr.state.ak.us),

Phone Carrie Marvel at: 269-8833

The cost for each CD version of the tract Map is \$50.00, plus \$3.50 for postage. Please make checks payable to: Department of Revenue, State of Alaska. DO&G will include a free copy of Adobe Reader 3.01 for PCs and MACs on the CD to assist in viewing the PDF (plot file) format.

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 contact Suzanne Gaguzis at (907) 269-8803 to make any necessary arrangements.

Kenneth A. Boyd  
Director

BSA 2000-945a4