

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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NOTICE OF SALE

BEAUFORT SEA AREA WIDE 2003 NORTH SLOPE AREA WIDE 2003 COMPETITIVE OIL AND GAS LEASE SALES

The Alaska Department of Natural Resources (DNR), Division of Oil and Gas (DO&G), will offer lands for competitive oil and gas leasing in North Slope Areawide 2003 (NSA 2003) and Beaufort Sea Areawide 2003 (BSA 2003) on October 29, 2003. Bid opening begins at 8:30 a.m. in Anchorage at the Wilda Marston Theater, in the Loussac Public Library, 3600 Denali St.

Both sale areas are divided into tracts ranging in size from 640 to 5,760 acres. NSA 2003 has 1,225 tracts and lies between the Arctic National Wildlife Refuge (ANWR) and the National Petroleum Reserve – Alaska (NPRA). The southern boundary of the sale area is the Umiat baseline. BSA 2003 consists 573 tracts of state-owned tide and submerged lands extending from Pt. Barrow to the Canadian border. The westernmost and easternmost tracts have been deferred from leasing in BSA 2003.

North Slope Areawide 2003

Bidding Method: Cash bonus bidding with a minimum bid of ten dollars (\$10) per acre for all tracts.

Royalty Rates: Leases issued on State and State/ASRC Tracts 0520 through 1225 will have a fixed royalty rate of sixteen and two-thirds percent (16.66667%).

Leases issued on State Tracts 0001 through 0519 will have a fixed royalty rate of twelve and one-half percent (12.5%).

Term of Lease: All leases will have a term of seven (7) years.

Beaufort Sea Areawide 2003

Bidding Method: Cash bonus bidding with a minimum bid of ten dollars (\$10) per acre for all tracts.

Royalty Rates: Leases issued on Tracts 40 through 77, 500 through 554, and 556 will have a fixed royalty rate of twelve and one-half percent (12.5%). Leases issued on Tracts 78 through 499 will have a fixed royalty rate of sixteen and two-thirds percent (16.66667%).

Term of Lease: Leases issued on tracts 40 through 77, 500 through 554, and 556 will have a term of ten (10) years. Leases issued on Tracts 78 through 499 will have a term of seven (7) 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's Information

Complete details regarding these lease sales, including the sale announcements in their entirety, instructions to bidders and tract deletions are available on the division's website: www.dog.dnr.state.ak.us/oil. If unable to access this information, contact Suzanne Gaguzis, (907) 269-8803, email at msg@dnr.state.ak.us. The sale announcements

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

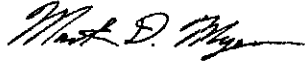
are also available in the following locations: Nuiqsut Public Library, North Slope Borough Library Media Center, North Slope Borough Offices, Tuzzy Consortium Library in Barrow, City of Barrow Municipal Offices, Kaveolook School Library in Kaktovik, Loussac Public library in Anchorage, and the Division of Oil and Gas. Regional tract maps will be available in these locations on August 10, 2003, and on the division's website on August 5, 2003. Copies will also be available, for \$25 per set, at the division's office beginning August 5th.

Concurrently Issued Decisions

The Commissioner of Natural Resources has issued a *Decision of No New Information* for both sales. These decisions are available on the division's website and at the above-mentioned locations.

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



Mark D. Myers
Director