

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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July 29, 2003

SPECIAL NOTICE

Beaufort Sea Areawide 2004 Oil and Gas Lease Sale

The Alaska Department of Natural Resources (DNR), Division of Oil and Gas is issuing this special notice to inform the public that DNR is reevaluating two areas in the Beaufort Sea that are currently being deferred from leasing. These two deferrals stretch from Pt. Barrow to Tangent Point in the west (Tracts 555, 557-573) and from Barter Island to the Canadian border in the east (Tracts 1-39). The western deferral was in response to the concerns voiced by local residents who utilize this area for subsistence gathering activities. The eastern deferral was in response to local concerns related to the harvest of bowhead whales.

When making the decision to defer the tracts for the first areawide sale held in 2000, DNR stated, "[e]ven though existing mitigation measures provide the necessary protection for subsistence activities, DNR is taking the extra precaution of removing these tracts from consideration at this time. In addition, it seems unlikely that these tracts would be immediately subject to development. It is possible that during the 10-year period covered by this finding, the prospects for developing these tracts will increase. DNR will annually review the available information for these lease tracts to determine whether to offer them in the future."

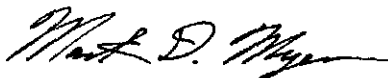
DNR is considering including these deferred tracts in Beaufort Sea Areawide 2004, scheduled for October 2004, and is seeking public and agency comment to address the following questions:

1. **Should the deferrals remain intact with their current configuration?**
2. **Can either deferral be reduced in size and still provide the intended protections?**
3. **Should DNR eliminate both deferrals and offer all tracts in the 2004 lease sale?**
4. **Are the existing mitigation measures sufficient to protect subsistence gathering activities and bowhead whale harvesting?**

The comment period begins July 30, 2003 and ends December 31, 2003. Please send comments to:

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