

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF OIL & GAS

SEAN PARNELL, GOVERNOR

550 WEST 7<sup>TH</sup> AVENUE, SUITE 800  
ANCHORAGE, ALASKA 99501-3560

PHONE: (907) 269-8800

FAX: (907) 269-8938

December 21, 2009

Phone: 269-8816

## Instructions to Bidders

### BEAUFORT SEA AREA WIDE 2010

**PLEASE READ ALL INSTRUCTIONS CAREFULLY. AN ERROR ON YOUR PART COULD RESULT IN YOUR BID BEING REJECTED.**

#### A. Pre-Qualification of Bidders

Bidders **must** be pre-qualified with the Division of Oil and Gas (DO&G). Corporations, including Limited Liability Companies, must also be qualified with the Alaska Department of Commerce, community and Economic Development to do business in Alaska. Please see [http://www.dog.dnr.state.ak.us/oil/programs/leasing/leaseadmin/qual\\_faqs.html](http://www.dog.dnr.state.ak.us/oil/programs/leasing/leaseadmin/qual_faqs.html) for frequently asked questions on how to qualify. **In order for bids to be accepted, the following information and documents must be on file with DO&G no later than 4:00 p.m., Feb 19, 2010:**

##### 1. Individual

- a. In the case of a person, a signed and dated statement including the bidder's name, current address, telephone number, e-mail address (if used) and a certification that the bidder is of the age of majority and a citizen of the United States or an alien qualified under AS 38.05.190; and
  - 1) In the case of a guardian, trustee, or other legal representative of a person, a certified copy of the court order authorizing the representative to act in that capacity; or
  - 2) In the case of an agent acting on behalf of an individual, an original or certified copy of a notarized power of attorney.

**Note: If an individual has already qualified in a previous lease sale or through an assignment of interest in a lease they need to insure that all information is current.**

##### 2. Corporation

- a. In the case of a corporation, the corporation's current name, mailing address, phone and fax number, and e-mail addresses; and
  - 1) A list of the individuals authorized to act on its behalf with respect to the bid; and
  - 2) An original or certified copy of a notarized power of attorney authorizing any agent who is not a current officer but who has been authorized by the corporation to act on its behalf with respect to the bid; and
  - 3)\* A **2010** Certificate of Compliance (Certificate of Good Standing) for a corporation qualified to do business in Alaska or, if qualifying for a lease sale for the first time, either:
    - (a) A Certificate of Authority for a foreign corporation (Certificate of Registration for a foreign LLC) qualified to do business in Alaska. A foreign corporation is a corporation incorporated outside Alaska; or

***“Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans.”***

- (b) A Certificate of Incorporation for a domestic corporation (Certificate of Organization for a domestic LLC) qualified to do business in Alaska.

The Certificate of Compliance (Certificate of Good Standing) provides written proof that the corporation has paid all taxes/fees, complied with all applicable laws and thus remains qualified to do business in the state. It is the bidder's responsibility to ensure that the required certificate is filed with DO&G.

**\* The required Alaska certificates must be requested from the Alaska Department of Commerce, Community and Economic Development, (DCC&ED). You may purchase the certificates online at <http://www.commerce.state.ak.us/occ/>. For information on obtaining a certificate by mail, write the DCC&ED, Corporations Section; PO Box 110808, Juneau, AK 99811-0808, email: [corporations@alaska.gov](mailto:corporations@alaska.gov) or call (907) 465-2530. Upon proper application, DCC&ED will issue the requested certificate. If not purchased online, please allow ten days for the processing of the certificate.**

3. Partnership, joint venture, or other unincorporated association

A partnership, joint venture, or other unincorporated association must file a statement describing the business relationship between the members of the association, joint venture or partnership; and the documents required for individuals or corporations for each participant as appropriate. Limited Partnerships: Before transacting business in this state, a foreign limited partnership shall register through the Department of Commerce at their web site: [www.commerce.state.ak.us/occ/home\\_corporations.htm](http://www.commerce.state.ak.us/occ/home_corporations.htm). (AS 32.11.420)

Materials previously filed with DO&G, if current and accurate, may be used by referring to the filing date of the previously filed material and by providing a statement as to any material changes or amendments.

It is the bidder's responsibility to ensure that all pre-qualification requirements are fulfilled. Failure to provide DO&G with any of the above required documents or information may result in disqualification and the rejection of any bids submitted. For additional qualification information, please contact Dawn Greenan at (907) 269-0138 or [dawn.greenan@alaska.gov](mailto:dawn.greenan@alaska.gov).

B. Preparing Bids for Submission

1. Bids for Beaufort Sea Areawide (BS) 2010 must be submitted on a Bid Form For Areawide Oil & Gas Lease Sale (Revised 2/09) or an exact copy of that form.
2. The bid form must be completely filled out. The section identifying the bidder or bidder's agent must indicate the bidder or agent's name (and company if applicable), both physical and mailing addresses, telephone number and e-mail address. Under 11 AAC 82.430, joint bids must disclose, and the bid form must be signed by or on behalf of, each person or company that has any working interest in the bid or who will receive any working interest in any lease issued in this sale by virtue of any agreement or understanding, oral or written. All lease interest percentages must be represented by a number with no more than five decimal places (with no rounding). Bids with fractional lease interests must be expressed in decimals of no more than five digits without rounding. The sum of all ownerships for each bid should equal 100.00000 percent.
3. Each bid must include the Total Bid Per Acre, Total Estimated Bonus Bid, and a deposit in cash, by money order, cashier's check or certified check in U.S dollars that must equal **a minimum of 20.00000% of the Total Estimated Bonus Bid** being offered for the tract. Checks must be drawn on any solvent bank in the United States. Make checks and money orders payable to the "Department of Natural Resources, State of Alaska".
4. For the purposes of formulating bids, bidders are required to calculate the Total Estimated Bonus Bid based on an estimated acreage figure (See Attachment A for the appropriate sale). In most cases these estimated tract acreages will be more than the actual available leaseable acreage for each tract.

**Sample Total Estimated Bonus Bid/Minimum Bid Deposit Calculation:**

Tract # 0433: Estimated tract acreage from "Attachment A" = 1,920 acres  
Bid of \$10.27 per acre

1,920 acres x \$10.27 bid per acre = \$19,718.40 Total Estimated Bonus Bid

\$19,718.40	<b>Total Estimated Bonus Bid</b>
x 20.00000%	<b>minimum</b> bid deposit required
= \$3,943.68	<b>minimum</b> bid deposit amount
= <b>\$3,944.00</b>	bid deposit after <b>rounding upwards</b> to nearest whole dollar.

**All bid deposit calculations that result in sums containing fractions of less than one dollar should be rounded upwards to the nearest whole dollar in order to ensure that a minimum of 20.00000% of the total estimated bid is being tendered.**

5. Each bid must be submitted separately in a single envelope. Each envelope should contain only one bid for one tract and be marked, as appropriate:

**State of Alaska, Beaufort Sea Areawide Lease Sale 2010**  
**Not to be opened until 9:00 a.m., February 24, 2010; Tract # \_\_\_\_\_**

***NOTE: No other markings should appear on the outside of the bid envelope(s). Personal checks will not be accepted. No bid for less than a full tract will be considered. Bids with deposits of less than 20.00000% of the estimated total cash bonus bid for the tract will not be accepted. Bids for less than the minimum bid specified in the Sale Announcement will be rejected.***

**C. Bid Submission**

Hand-carried bids will be received for these sales on February 22, 2010 in DO&G's offices in Suite 800 of the Atwood Building, located at 550 W. 7<sup>th</sup> Ave., Anchorage, Alaska. Mailed bids, and bids sent by delivery service, must be sent to the Director, **Attn: Lease Sales, DO&G, 550 West 7<sup>th</sup> Ave., Suite 800, Anchorage, Alaska 99501-3560.**

The division must receive all bids no later than 4:00 p.m. February 22, 2010. Bids arriving prior to February 22, 2010, will be held by DO&G until 9:00 a.m. February 22, 2010, and will be officially received at that time. Information regarding the bids will be held confidential until the day of the sale.

**BIDS RECEIVED AFTER 4:00 p.m. (ADT), February 22, 2010 WILL BE REJECTED**

**D. Bid Processing and Reading**

The BS 2010 lease sale will be held on February 24, 2010, in Suite 240, of the Atwood Building, 550 W. 7<sup>th</sup> Avenue, Anchorage. Please note the new location. Bids will be processed in the following manner:

1. February 24, 2010, 9:00 a.m. - bids will be opened and read in public in Suite 240, of the Atwood Building, 550 W. 7<sup>th</sup> Avenue, Anchorage. Bid opening may take one hour or longer, depending on the amount of bids received.
2. February 24 (upon return from sale) approx. 10:30 a.m. – 4:30 p.m., and February 25, 2010, 8:00 a.m. until completed - bids will be adjudicated in the Division of Oil and Gas offices.
3. Preliminary Sale Results, including a list of the apparent high bidders, will be posted on the division's website at <http://www.dog.dnr.state.ak.us/oil/> once bid adjudication has been completed.
4. A bidder submitting a bid that is not the apparent high bid may pick up their bid deposit between 9:00 a.m. and 3:00 p.m. on February 26, 2010, in Suite 800, of the Atwood Building, located at 550 W. 7<sup>th</sup> Ave., in Anchorage, Alaska. Bid deposits that have not been retrieved by 3:00 p.m., February 26, 2010, will be returned to the bidder by mail according to the instructions for return of bid deposit shown on the bid form.

5. All bid deposits for an apparent high bid tendered in cash or by certified check, cashier's check or money order will be presented (dependent upon final adjudication) on February 25, 2010, for payment in federal funds at the First National Bank of Anchorage.

The opening and reading of bids is for the sole purpose of publicly announcing bids received. No bids will be officially accepted or rejected at this time.

**For Areawide Oil and Gas Lease Sales, successful bidders will be determined based on the HIGHEST Total Bid Per Acre for each tract, not the highest Total Estimated Bonus Bid for the tract.**

E. **Method of Handling Bids Following the Sale**

1. **The bidder submitting a valid bid representing the highest Total Bid Per Acre will be the apparent high bidder.** Once the commissioner accepts the apparent high bids and bid deposits, the high bidders will then receive a **Notice to High Bidder** informing them of the commissioner's acceptance of their apparent high bid and bid deposit. Please note that this may take several weeks.
2. Once the **Notice to High Bidders** has been issued, DO&G will initiate a title and survey review for each tract receiving a high bid. Once the title review has been completed and the Cadastral Survey Section has determined leaseable acreage for the tract, DO&G will issue **Award Notices** to the successful bidders. The **Award Notices** will inform the successful bidders of the actual total amount of leaseable acreage within the tracts and the actual total bonus bid amounts for the tracts.

*Note: Failure to comply with the Award Notice may place your bid in default. If you default on a bid, you will forfeit your bid deposit.*

*Note: The title and survey review may take several months for completion.*

For further information regarding this areawide sale, please contact Dianna Lewis, DO&G, Anchorage, Alaska (907) 269-8810, email: dianna.lewis@alaska.gov, or Jennifer Haines (907) 375-8247, email: jennifer.haines@alaska.gov.



Kevin R. Banks  
Director

**All bidders should be aware that there is an acreage limitation for oil and gas leases.  
See AS 38.05.140(c).**

## **Attachment A**

### **Estimated Acreage for Tracts offered in Beaufort Sea Areawide Oil and Gas Lease Sales**

<b><u>Tract Number</u></b>	<b><u>Estimated Acreage</u></b>
Tract 001	2,560
Tract 002	3,840
Tracts 003 through 006	5,120 each
Tract 007	3,840
Tract 008	3,200
Tract 009	4,480
Tract 010	2,560
Tracts 011 and 012	5,120 each
Tract 013	4,480
Tract 014	3,200
Tracts 015 and 016	5,120 each
Tracts 017 and 018	5,760 each
Tract 019	4,480
Tract 020	2,560
Tract 021	4,480
Tract 022	2,560
Tracts 023 and 024	5,120 each
Tracts 025 and 026	4,480 each
Tracts 027 and 028	5,760 each
Tract 029	4,480
Tract 030	3,840
Tracts 031 and 032	4,480 each
Tracts 033 through 039	5,760 each
Tracts 040 through 044	5,120 each
Tract 045	5,760
Tract 046	3,840
Tract 047	5,760
Tract 048	3,840
Tract 049	3,200
Tracts 050 and 051	3,840 each
Tract 052	5,760
Tracts 053 and 054	3,840 each
Tracts 055 and 056	5,760 each
Tract 057	5,120
Tract 058	3,840
Tract 059	5,120
Tract 060	3,200
Tract 061	4,480

<b><u>Tract Number</u></b>	<b><u>Estimated Acreage</u></b>
Tract <b>062</b>	<b>2,560</b>
Tracts <b>063</b> through <b>066</b>	<b>3,840</b> each
Tract <b>067</b>	<b>5,760</b>
Tracts <b>068</b> and <b>069</b>	<b>5,120</b> each
Tracts <b>070</b> and <b>071</b>	<b>4,480</b> each
Tract <b>072</b>	<b>5,120</b>
Tracts <b>073</b> and <b>074</b>	<b>3,200</b> each
Tract <b>075</b>	<b>4,480</b>
Tract <b>076</b>	<b>2,560</b>
Tracts <b>077</b> and <b>078</b>	<b>5,760</b> each
Tract <b>079</b>	<b>1,868</b>
Tracts <b>080</b> through <b>114</b>	<b>2,560</b> each
Tract <b>115</b>	<b>3,200</b>
Tracts <b>116</b> through <b>126</b>	<b>2,560</b> each
Tract <b>127</b>	<b>3,200</b>
Tracts <b>128</b> through <b>152</b>	<b>2,560</b> each
Tracts <b>153</b> through <b>155</b>	<b>1,920</b> each
Tracts <b>156</b> through <b>173</b>	<b>2,560</b> each
Tract <b>174</b>	<b>1,920</b>
Tract <b>175</b>	<b>3,200</b>
Tract <b>176</b>	<b>1,920</b>
Tracts <b>177</b> through <b>191</b>	<b>2,560</b> each
Tract <b>192</b>	<b>1,920</b>
Tract <b>193</b>	<b>1,280</b>
Tract <b>194</b>	<b>2,560</b>
Tract <b>195</b>	<b>3,200</b>
Tracts <b>196</b> through <b>203</b>	<b>2,560</b> each
Tract <b>204</b>	<b>1,920</b>
Tract <b>205</b>	<b>2,560</b>
Tract <b>206</b>	<b>1,920</b>
Tracts <b>207</b> through <b>221</b>	<b>2,560</b> each
Tract <b>222</b>	<b>3,200</b>
Tract <b>223</b>	<b>1,920</b>
Tract <b>224</b>	<b>2,560</b>
Tract <b>225</b>	<b>3,200</b>
Tract <b>226</b>	<b>2,560</b>
Tract <b>227</b>	<b>1,920</b>
Tracts <b>228</b> through <b>234</b>	<b>2,560</b> each
Tract <b>235</b>	<b>640</b>
Tracts <b>236</b> and <b>237</b>	<b>2,560</b> each
Tract <b>238</b>	<b>3,200</b>
Tracts <b>239</b> through <b>249</b>	<b>2,560</b> each
Tract <b>250</b>	<b>1,920</b>
Tracts <b>251</b> and <b>252</b>	<b>2,560</b> each
Tract <b>253</b>	<b>1,920</b>

<b><u>Tract Number</u></b>	<b><u>Estimated Acreage</u></b>
Tracts <b>254</b> through <b>276</b>	<b>2,560</b> each
Tracts <b>277</b> and <b>278</b>	<b>1,920</b> each
Tracts <b>279</b> through <b>288</b>	<b>2,560</b> each
Tract <b>289</b>	<b>1,280</b>
Tract <b>290</b>	<b>2,560</b>
Tract <b>291</b>	<b>1,280</b>
Tract <b>292</b>	<b>1,920</b>
Tracts <b>293</b> through <b>295</b>	<b>2,560</b> each
Tract <b>296</b>	<b>1,920</b>
Tracts <b>297</b> through <b>302</b>	<b>2,560</b> each
Tract <b>303</b>	<b>1,280</b>
Tracts <b>304</b> through <b>321</b>	<b>2,560</b> each
Tract <b>322</b>	<b>3,200</b>
Tract <b>323</b>	<b>1,920</b>
Tracts <b>324</b> through <b>332</b>	<b>2,560</b> each
Tract <b>333</b>	<b>1,280</b>
Tract <b>334</b>	<b>3,200</b>
Tracts <b>335</b> through <b>352</b>	<b>2,560</b> each
Tract <b>353</b>	<b>3,840</b>
Tracts <b>354</b> through <b>368</b>	<b>2,560</b> each
Tracts <b>369</b> and <b>370</b>	<b>1,920</b> each
Tract <b>371</b>	<b>1,280</b>
Tracts <b>372</b> through <b>384</b>	<b>2,560</b> each
Tract <b>385</b>	<b>3,200</b>
Tracts <b>386</b> through <b>402</b>	<b>2,560</b> each
Tract <b>403</b>	<b>3,200</b>
Tract <b>404</b>	<b>1,920</b>
Tracts <b>405</b> and <b>406</b>	<b>2,560</b> each
Tract <b>407</b>	<b>1,920</b>
Tracts <b>408</b> through <b>414</b>	<b>2,560</b> each
Tracts <b>415</b> through <b>417</b>	<b>3,840</b> each
Tracts <b>418</b> through <b>425</b>	<b>2,560</b> each
Tracts <b>426</b> and <b>427</b>	<b>3,200</b> each
Tracts <b>428</b> through <b>430</b>	<b>2,560</b> each
Tract <b>431</b>	<b>3,840</b>
Tracts <b>432</b> and <b>433</b>	<b>1,920</b> each
Tract <b>434</b>	<b>3,200</b>
Tracts <b>435</b> through <b>440</b>	<b>2,560</b> each
Tract <b>441</b>	<b>3,200</b>
Tracts <b>442</b> through <b>453</b>	<b>2,560</b> each
Tract <b>454</b>	<b>3,840</b>
Tract <b>455</b>	<b>2,560</b>
Tract <b>456</b>	<b>3,200</b>
Tracts <b>457</b> through <b>459</b>	<b>2,560</b> each
Tracts <b>460</b> through <b>463</b>	<b>5,760</b> each
Tract <b>464</b>	<b>3,840</b>

<b><u>Tract Number</u></b>	<b><u>Estimated Acreage</u></b>
Tract 465	5,760
Tract 466	3,840
Tract 467	5,760
Tracts 468 and 469	5,120 each
Tract 470	3,840
Tract 471	2,560
Tract 472	3,200
Tract 473	1,920
Tracts 474 through 482	5,760 each
Tract 483	4,480
Tract 484	2,560
Tract 485	5,760
Tract 486	4,480
Tract 487	5,760
Tract 488	1,920
Tracts 489 through 493	5,760 each
Tract 494	5,120
Tract 495	3,200
Tract 496	5,760
Tract 497	4,480
Tract 498	5,120
Tract 499	3,200
Tracts 500 through 509	5,760 each
Tract 510	5,120
Tracts 511 and 512	5,760 each
Tract 513	5,120
Tracts 514 and 515	4,480 each
Tracts 516 and 517	5,120 each
Tracts 518 and 519	4,480 each
Tracts 520 through 522	3,840 each
Tract 523	2,560
Tracts 524 and 525	5,120 each
Tract 526	3,840
Tracts 527 through 529	5,760 each
Tract 530	3,840
Tracts 531 through 538	5,760 each
Tract 539	2,560
Tract 540	1,920
Tract 541	5,760
Tract 542	4,480
Tracts 543 and 544	5,120 each
Tracts 545 and 546	5,760 each
Tract 547	2,560
Tract 548	4,480
Tract 549	5,760
Tract 550	3,840



<b><u>Tract Number</u></b>	<b><u>Estimated Acreage</u></b>
Tract <b>551</b>	<b>4,480</b>
Tract <b>552</b>	<b>5,120</b>
Tract <b>553</b>	<b>3,840</b>
Tract <b>554</b>	<b>5,120</b>
Tract <b>555</b>	<b>5,760</b>
Tract <b>556</b>	<b>5,120</b>
Tract <b>557</b>	<b>2,560</b>
Tracts <b>558</b> and <b>559</b>	<b>5,120</b> each
Tract <b>560</b>	<b>5,760</b>
Tracts <b>561</b> through <b>563</b>	<b>5,120</b> each
Tract <b>564</b>	<b>4,480</b>
Tract <b>565</b>	<b>2,560</b>
Tract <b>566</b>	<b>3,200</b>
Tract <b>567</b>	<b>5,120</b>
Tracts <b>568</b> through <b>571</b>	<b>5,120</b> each
Tract <b>572</b>	<b>3,200</b>
Tract <b>573</b>	<b>5,120</b>