

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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NOTICE OF SALE BEAUFORT SEA AREAWIDE 2010 COMPETITIVE OIL AND GAS LEASE SALE

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), will offer state lands for competitive oil and gas leasing in Beaufort Sea Areawide 2010 (BS 2010) oil and gas lease sale on **February 24, 2010. Bid opening will begin at 9:00 a.m.** at the Atwood Building, 550 W. 7th Avenue, Suite 240, Anchorage. Please note the new location.

The sale area is divided into tracts ranging in size from 640 to 5,760 acres. Beaufort Sea has 573 tracts located within the North Slope Borough and consists of state-owned tide and submerged lands in the Beaufort Sea between the Canadian border and Point Barrow. The sale area is adjacent to both the National Petroleum Reserve - Alaska (NPR-A) and the Arctic National Wildlife Refuge (ANWR). The southern fringe of the sale area includes some state-owned uplands lying between the NPR-A and the ANWR.

Beaufort Sea Areawide 2010

Bidding Method: Cash bonus bidding with a minimum bid of \$10 per acre on all tracts.
Royalty Rate: Tracts 1 through 26 – a fixed royalty rate of twelve and one-half percent (12.5%).
All other tracts – a fixed royalty rate of sixteen and two-thirds percent (16.6667%).
Length of Lease: Tracts 1 through 26, 40 through 77, 500 through 554 and 556 – ten (10) years.
All other tracts – seven (7) years.

Rental

Annual rental on all state leases 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, regional tract maps, instructions to bidders, tract deletions and tract deferrals are available on the division's website at <http://www.dog.dnr.alaska.gov>. The regional tract maps and sale related documents for BS 2010 are also available in the following libraries and government offices: 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, and DO&G offices.

If unable to access this information, contact Jennifer Haines at (907) 375-8247 or jennifer.haines@alaska.gov. Copies of the regional tract map will also be available at the division's office for \$25 per set.

Best Interest Finding and Alaska Coastal Management Program (ACMP) Consistency Determination

In support of a Beaufort Sea Areawide Sale, on November 9, 2009 the Director of DO&G issued a written final finding and decision under AS 38.05.035(e) and (g) which set forth the facts, policies, and applicable laws upon which he based his determination that the sale will best serve the interests of the state. In addition, a final coastal zone consistency determination was made that oil and gas lease sales are consistent with the ACMP.

Americans with Disabilities Act

The State of Alaska, ADNR, 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 Jennifer Haines at (907) 375-8247 or jennifer.haines@alaska.gov to make any necessary arrangements.



Kevin R. Banks,
Director

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