



October 6, 2017

**NOTICE OF SALE
BEAUFORT SEA AREAWIDE 2017W
NORTH SLOPE AREAWIDE 2017W and
NORTH SLOPE FOOTHILLS AREAWIDE 2017
COMPETITIVE OIL AND GAS LEASE SALES**

The Alaska Department of Natural Resources (DNR), Division of Oil and Gas (DO&G), is giving notice pursuant to AS 38.05.945(a)(4) that it is offering State lands for competitive oil and gas leasing in the Beaufort Sea Areawide 2017W (BSA 2017W), the North Slope Areawide 2017W (NSA 2017W), and the North Slope Foothills Areawide 2017 (FHA 2017) Competitive Oil and Gas Lease Sales. This notice is available on the State of Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices/>.

In-person bid submission – Monday, December 4, 2017 from 9:00 a.m. to 4:00 p.m. at Suite 800 of the Atwood Building, 550 West 7th Avenue, Anchorage, Alaska or by mail to DNR Division of Oil & Gas, Attn: Lease Sale, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3563.

Public bid opening – Wednesday, December 6, 2017 from 9:00 a.m. until all bids are read at the 'Tubughnenq' (Tyonek) Meeting Room, Dena'ina Center, 600 West 7th Avenue, Anchorage, Alaska.

Areawide Lease Sale Locations

The Beaufort Sea Areawide is divided into 591 tracts ranging in size from 530 to 5,760 acres. These tracts are within the North Slope Borough and consist of state-owned tide and submerged lands in the Beaufort Sea between the Canadian border and Point Barrow. The northern boundary of the Areawide is along the federal Alaska Outer Continental Shelf. The southern fringe of the sale area includes some state-owned uplands lying between the National Petroleum Reserve – Alaska (NPR-A) and the Arctic National Wildlife Refuge (ANWR). Some tracts are jointly owned by the State of Alaska and Arctic Slope Regional Corporation (ASRC).

The North Slope Areawide is divided into 3,137 tracts, ranging in size from 640 to 5,760 acres. Tracts in this sale area are within the North Slope Borough between the Canning River and ANWR on the east and the Colville River and NPR-A on the west. The southern boundary of the sale area is the Umiat Meridian baseline. The Areawide is divided into North and South Sub-regions. Some tracts are jointly owned by the State of Alaska and ASRC.

The North Slope Foothills Areawide is divided into 1,347 tracts ranging in size from 480 to 5,760 acres. These tracts are located between ANWR and NPR-A. The northern boundary of the sale area is the Umiat Meridian baseline and the southern boundary is the Gates of the Arctic National Park and Preserve.

Sale Documents

Complete details regarding these lease sales are on the DO&G website at <http://dog.dnr.alaska.gov/Services/LeaseSale> under Current Lease Sales. Sale documents include this Notice of Sale, Sale Announcement and Instructions to Bidders, Attachment A with estimated acreages and deferred tracts, lease forms, mitigation measures, Bid Form for DNR Areawide Oil & Gas Lease Sale, and tract map. These documents are also available in the following locations:

Nuiqsut Trapper School Library, Nunamiut School Library in Anaktuvuk Pass, Harold Kaveolook School Library in Kaktovik, Meade River School Library in Atkasuk, Tuzzy Consortium Library in Barrow, Alaska Resource Library & Information Services, Z.J. Loussac Public Library in Anchorage, and the Alaska State Library in Juneau.

If you are unable to access this information, call the Leasing Section at (907) 269-8800 or email dog.leasing@alaska.gov. You may subscribe to lease sale email announcements at <http://list.state.ak.us/mailman/listinfo/DOG.Leaning>.

Sale Terms and Conditions

Beaufort Sea Areawide 2017W						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
State/ASRC Tracts	Cash Bonus	\$25.00 per acre	16.66667% Fixed	10 Years	Years 1 – 7: \$10.00 per acre Years 8 – 10: \$250.00 per acre**	DOG 201503W AS
BSA 2017W Tracts	Cash Bonus	\$25.00 per acre	16.66667% Fixed	8 Years*	Years 1 – 8: \$10.00 per acre	DOG 201710W
*Under provisions of AS 38.05.180(m), state oil and gas leases may receive a one-time lease extension under certain conditions, upon request.						
**Annual rental will be as listed above; except that beginning in the year after the year in which sustained production commences on the lease or the state otherwise determines in its sole discretion, upon request, that the lessee has exercised reasonable diligence in exploring and developing the lease, the annual rental will be \$10.00 per acre or fraction of an acre. In evaluating a request to decrease rental based on the exercise of reasonable diligence, the state will consider the funds expended by the lessee to explore and develop the lease and the types of work completed by or on behalf of the lessee on this lease.						

North Slope Areawide 2017W						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
State/ASRC Tracts	Cash Bonus	\$25.00 per acre	16.66667% Fixed	10 Years	Years 1 – 7: \$10.00 per acre Years 8 – 10: \$250.00 per acre**	DOG 201503W AS
North Sub-Region Tracts	Cash Bonus	\$25.00 per acre	16.66667% Fixed	8 Years*	Years 1 – 8: \$10.00 per acre	DOG 201710W
South Sub-Region Tracts	Cash Bonus	\$25.00 per acre	12.5% Fixed	8 Years*	Years 1 – 8: \$10.00 per acre	DOG 201710W
*Under provisions of AS 38.05.180(m), state oil and gas leases may receive a one-time lease extension under certain conditions, upon request.						
**Annual rental will be as listed above; except that beginning in the year after the year in which sustained production commences on the lease or the state otherwise determines in its sole discretion, upon request, that the lessee has exercised reasonable diligence in exploring and developing the lease, the annual rental will be \$10.00 per acre or fraction of an acre. In evaluating a request to decrease rental based on the exercise of reasonable diligence, the state will consider the funds expended by the lessee to explore and develop the lease and the types of work completed by or on behalf of the lessee on this lease.						

North Slope Foothills Areawide 2017						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
FHA 2017 Tracts	Cash Bonus	\$10.00 per acre	12.5% Fixed	10 Years	Year 1: \$1.00 per acre Year 2: \$1.50 per acre Year 3: \$2.00 per acre Year 4: \$2.50 per acre Years 5+: \$3.00/acre	DOG 201710

New Lease Provisions

Lease forms DOG 201710 and DOG 201710W listed in the **Sale Terms and Conditions** section of this document include changes from lease forms DOG 201503 and DOG 201509W most recently used by the Division for Beaufort Sea, North Slope, and North Slope Foothills Areawide lease sales.

The changes include the following new lease provision with re-numbering of subsequent paragraphs.

37. LESSEE SALES INFORMATION

The following lease paragraphs have been changed:

4. EXTENSION (d)
5. RENTALS (a)
6. RECORDS (a) and (b)
7. APPORTIONMENT OF ROYALTY FROM APPROVED UNIT
10. PLAN OF DEVELOPMENT (a) and (b)
13. DILIGENCE AND PREVENTION OF WASTE (d)
15. UNITIZATION (d)
20. DEFAULT AND TERMINATION; CANCELLATION (a)
23. BONDS (a) and (d)
31. LOCAL HIRE
38. ROYALTY IN VALUE (re-numbered paragraph)

In addition, there are deletions in the following lease paragraphs:

9. PLAN OF OPERATIONS (h)

Tracts Deferred or Deleted from Sale

Deferred or deleted lease sale tracts will not be offered for lease in this sale, but may be included in future lease sales. DO&G reserves the right to delete or defer any additional acreage or tracts from the sale at any time prior to issuance of the lease. Currently, deferred or deleted lease sale tracts are listed on Attachment A of the Sale Announcement and Instructions to Bidders. Check <http://dog.dnr.alaska.gov/Services/LeaseSale> for updated Attachment A documents.

Best Interest Findings to Offer Oil and Gas Leases in Areawide Sales

These lease sales are being held according to AS 38.05.035(e) and AS 38.05.180. Under these statutes, land that is subject to a best interest finding issued within the previous 10 years may be offered for oil and gas leasing. The finding sets forth the facts, policies, and applicable laws and regulations upon which the Director based his determination that oil and gas lease sales in an Areawide sale will best serve the interests of the State. Every year, the Director make a request for substantial new information that may justify a supplement to the finding and issues a response to information received. Best interest finding documents and supplements for these sales can be found by searching with filters for Name and Region at <http://dog.dnr.alaska.gov/Information/DocumentLibrary>. If you are unable to access this information, call the Leasing Section at (907) 269-8800 or email dog.bif@alaska.gov.

Americans with Disabilities Act Compliance

The State of Alaska, DNR, DO&G complies with Title I of the Americans with Disabilities Act 1990. This publication will be made available in alternative communication formats upon request. Please call (907) 269-8800 or email dog.leasing@alaska.gov to make any necessary arrangements.



Chantal Walsh
Director
Division of Oil and Gas