

# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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## Instructions to Bidders

### COOK INLET AREAWIDE 2008

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

#### A. Pre-Qualification of Bidders

In order for bids to be accepted, bidders **must** be pre-qualified with the Division of Oil and Gas (DO&G) no later than 4:00 p.m. on May 19, 2008. To pre-qualify the following information and documents **must** be on file with DO&G:

##### 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.

##### 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 **2008** 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.

***NOTE: 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.dced.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.

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 Cook Inlet Areawide (CI) 2008 must be submitted on a Bid Form for Areawide Oil & Gas Lease Sale (Revised 11/07) 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 must be exactly 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 bid deposit required</b>
= \$3,943.68	<b>minimum bid deposit amount</b>
= <b>\$3,944.00</b>	bid deposit after <b>rounding upwards</b> to nearest whole dollar.

**CAUTION:** 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.

- 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, Cook Inlet Areawide Lease Sale 2008**  
**Not to be opened until 9:00 a.m., May 21, 2008; 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.

**D. Bid Submission**

Hand-carried bids will be received for these sales on May 19, 2008 in DO&G's offices in Suite 800 of the Atwood Building, located at 550 W. 7<sup>th</sup> Ave., in Anchorage, Alaska from 9:00 a.m. until 4:00 p.m. Mailed bids, and bids sent by delivery service, must be sent to the Director, Division of Oil and Gas, 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. May 19, 2008.** Bids arriving prior to May 19, 2008, will be held by DO&G until 9:00 a.m. May 19, 2008, and will be officially received at that time. Bids will remain sealed and information regarding the bids will be held confidential until the day of the sale.

**CAUTION: BIDS RECEIVED AFTER 4:00 p.m. (ADT), May 19, 2008 WILL BE REJECTED**

**E. Bid Processing and Reading**

The CI 2008 lease sale will be held on May 21, 2008, in the Wilda Marston Theater in the Loussac Public Library, 3600 Denali Street, Anchorage. Bids will be processed in the following manner:

- May 21, 2008, 9:00 a.m. - bids will be opened and read in public in the library theater. Bid opening may take one hour or longer, depending on the amount of bids received.
- May 21 (upon completion of bid opening) approx. 10:30 a.m. – 4:30 p.m., and May 22, 2008, 8:00 a.m. until completed - bids will be adjudicated in the Division of Oil and Gas offices.
- 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 May 23, 2008, in Suite 800 of the Atwood Building, located at 550 W. 7<sup>th</sup> Ave., Anchorage, Alaska. Bid deposits that have not been retrieved by 3:00 p.m., May 23, 2008, will be returned to the bidder 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 May 22, 2008, 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.

NOTE: 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.

F. **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 for the tract.** Once the commissioner accepts the apparent high bid and bid deposit, the high bidder 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 Bidder** has been issued, DO&G will initiate a title and survey review for each tract receiving a high bid. The title and survey review may take several months for completion. Once the title review and survey review has been completed for the sale, DO&G will issue an **Award Notice** to the successful bidders. The **Award Notice** will inform the successful bidders of the total actual amount of leaseable acreage within the tract and the actual total bonus bid for the tract.
3. 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.

For further information regarding this areawide sale, please contact Tim Jones, DO&G, Anchorage, Alaska (907) 269-8814, email: [timothy.jones@alaska.gov](mailto:timothy.jones@alaska.gov), or Dianna Lewis (907) 269-8810, email: [dianna.lewis@alaska.gov](mailto:dianna.lewis@alaska.gov).



Kevin R. Banks,  
Acting Director

<http://www.dog.dnr.state.ak.us/oil/>  
Itbid- CI2008.doc

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 in the Cook Inlet Areawide sale area

<u>Tract Number</u>	<u>Estimated Acreage</u>
Tracts 0001 and 0002	3,840 each
Tracts 0003 through 0015	5,760 each
Tract 0016	4,480
Tracts 0017 and 0018	5,760 each
Tract 0019	3,840
Tracts 0020 and 0021	5,760 each
Tract 0022	3,200
Tracts 0023 through 0047	5,760 each
Tract 0048	4,480
Tracts 0049 and 0050	5,120 each
Tract 0051	2,560
Tract 0052	3,840
Tract 0053	2,560
Tract 0054	3,840
Tracts 0055 through 0079	5,760 each
Tract 0080	4,480
Tract 0081	2,560
Tracts 0082 through 0154	5,760 each
Tract 0155	1,920
Tracts 0156 through 0187	5,760 each
Tract 0188	1,920
Tracts 0189 through 0192	5,760 each
Tracts 0193 through 0210	2,560 each
Tracts 0211 through 0224	5,760 each
Tract 0225	3,840
Tract 0226	5,760
Tract 0227	1,920
Tracts 0228 through 0235	5,760 each
Tracts 0236 through 0253	2,560 each
Tracts 0254 through 0270	5,760 each
Tract 0271	640
Tract 0272	5,120
Tract 0273	5,760
Tract 0274	5,120
Tracts 0275 through 0282	5,760 each
Tracts 0283 through 0309	2,560 each

<b>Tract Number</b>	<b>Estimated Acreage</b>
Tracts <b>0310</b> through <b>0319</b>	<b>5,760</b> each
Tract <b>0320</b>	<b>5,120</b>
Tract <b>0321</b>	<b>4,480</b>
Tracts <b>0322</b> through <b>0331</b>	<b>3,840</b> each
Tract <b>0332</b>	<b>2,560</b>
Tract <b>0333</b>	<b>3,840</b>
Tract <b>0334</b>	<b>1,920</b>
Tracts <b>0335</b> through <b>0344</b>	<b>5,760</b> each
Tracts <b>0345</b> through <b>0380</b>	<b>2,560</b> each
Tracts <b>0381</b> through <b>0398</b>	<b>5,760</b> each
Tracts <b>0399</b> through <b>0407</b>	<b>3,840</b> each
Tract <b>0408</b>	<b>4,480</b>
Tract <b>0409</b>	<b>3,840</b>
Tracts <b>0410</b> through <b>0421</b>	<b>5,760</b> each
Tracts <b>0422</b> through <b>0430</b>	<b>2,560</b> each
Tract <b>0431</b>	<b>3,200</b>
Tract <b>0432</b>	<b>1,920</b>
Tract <b>0433</b>	<b>1,280</b>
Tracts <b>0434</b> through <b>0443</b>	<b>2,560</b> each
Tracts <b>0444</b> through <b>0483</b>	<b>5,760</b> each
Tracts <b>0484</b> through <b>0501</b>	<b>2,560</b> each
Tracts <b>0502</b> and <b>0503</b>	<b>5,760</b> each
Tract <b>0504</b>	<b>3,840</b>
Tract <b>0505</b>	<b>4,480</b>
Tracts <b>0506</b> and <b>0507</b>	<b>5,760</b> each
Tract <b>0508</b>	<b>3,840</b>
Tract <b>0509</b>	<b>5,120</b>
Tracts <b>0510</b> through <b>0543</b>	<b>5,760</b> each
Tracts <b>0544</b> through <b>0561</b>	<b>2,560</b> each
Tracts <b>0562</b> through <b>0598</b>	<b>5,760</b> each
Tracts <b>0599</b> through <b>0607</b>	<b>2,560</b> each
Tracts <b>0608</b> through <b>0643</b>	<b>5,760</b> each
Tracts <b>0644</b> through <b>0652</b>	<b>2,560</b> each
Tracts <b>0653</b> through <b>0718</b>	<b>5,760</b> each
Tract <b>0719</b>	<b>3,840</b>
Tracts <b>0720</b> and <b>0721</b>	<b>5,760</b> each
Tract <b>0722</b>	<b>3,840</b>
Tracts <b>0723</b> through <b>0734</b>	<b>5,760</b> each
Tract <b>0735</b>	<b>3,840</b>
Tract <b>0736</b>	<b>2,560</b>
Tracts <b>0737</b> and <b>0738</b>	<b>5,760</b> each
Tract <b>0739</b>	<b>3,840</b>
Tract <b>0740</b>	<b>5,760</b>
Tract <b>0741</b>	<b>3,840</b>

<b>Tract Number</b>	<b>Estimated Acreage</b>
Tracts <b>0742</b> and <b>0743</b>	<b>5,760</b> each
Tract <b>0744</b>	<b>3,840</b>
Tracts <b>0745</b> through <b>0756</b>	<b>5,760</b> each
Tract <b>0757</b>	<b>3,840</b>
Tract <b>0758</b>	<b>5,760</b>
Tract <b>0759</b>	<b>3,840</b>
Tract <b>0760</b>	<b>4,480</b>
Tract <b>0761</b>	<b>5,760</b>
Tract <b>0762</b>	<b>2,560</b>
Tracts <b>0763</b> and <b>0764</b>	<b>3,840</b> each
Tracts <b>0765</b> and <b>0766</b>	<b>5,760</b> each
Tract <b>0767</b>	<b>5,120</b>
Tracts <b>0768</b> through <b>0782</b>	<b>5,760</b> each
Tract <b>0783</b>	<b>3,840</b>
Tract <b>0784</b>	<b>3,200</b>
Tract <b>0785</b>	<b>3,840</b>
Tracts <b>0786</b> through <b>0806</b>	<b>5,760</b> each
Tract <b>0807</b>	<b>1,920</b>
Tract <b>0808</b>	<b>3,840</b>
Tracts <b>0809</b> through <b>0814</b>	<b>5,760</b> each
Tract <b>0815</b>	<b><u>3,840</u></b>
<b>Total</b>	<b>3,988,480 est. acres</b>