

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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INSTRUCTIONS TO BIDDERS

ALASKA PENINSULA AREAWIDE 2009 OIL AND GAS LEASE SALE COOK INLET AREAWIDE 2009 OIL AND GAS LEASE SALE

Please read all instructions carefully.

An error on your part could result in your bid being rejected.

A. **BIDDER PRE-QUALIFICATION**

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 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., May 18, 2009:

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 **2009** 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:

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

- (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
- (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 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.

B. PREPARING BIDS FOR SUBMISSION

1. Bids for Alaska Peninsula Areawide (AP) 2009 and Cook Inlet Areawide (CI) 2009 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 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 "Alaska Department of Natural Resources."

4. For the purposes of formulating bids, bidders are required to calculate the Total Estimated Bonus Bid based on the estimated acreage for the tract (See Attachment A for the appropriate sale). In most cases these estimated tract acreages will be more than the actual available leaseable acreage.

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	Total Estimated Bonus Bid
X 20.00000%	minimum bid deposit required
= \$3,943.68	minimum bid deposit amount
= \$3,944.00	bid deposit after rounding upwards 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.

4. 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, Alaska Peninsula Areawide Lease Sale 2009
Not to be opened until 9:00 a.m., May 20, 2009; Tract # _____.

State of Alaska, Cook Inlet Areawide Lease Sale 2009
Not to be opened until 9:00 a.m., May 20, 2009; 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 18, 2009 in DO&G's offices in Suite 800 of the Atwood Building, located at 550 W. 7th 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, **Attn: Lease Sales**, Division of Oil and Gas, 550 West 7th Ave., Suite 800, Anchorage, Alaska 99501-3560. **The division must receive all bids no later than 4:00 p.m. May 18, 2009.** Bids arriving prior to May 18, 2009, will be held by DO&G until 9:00 a.m. May 18, 2009, 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.

BIDS RECEIVED AFTER 4:00 p.m. (ADT), May 18, 2009 WILL BE REJECTED

E. BID PROCESSING AND READING

The AP 2009 and CI 2009 lease sale will be held on May 20, 2009, in the Dena'ina Civic Convention Center, 600 W. 7th Avenue, Anchorage. Bids will be processed in the following manner:

1. May 20, 2009, 9:00 a.m. - bids will be opened and read in public in the Tikahtnu Conference Room. Bid opening may take one hour or longer, depending on the amount of bids received.

2. May 20 (upon completion of bid opening) approx. 10:30 a.m. – 4:30 p.m., and May 21, 2009, 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 May 21, 2009, in Suite 800 of the Atwood Building, located at 550 W. 7th Ave., Anchorage, Alaska. Bid deposits that have not been retrieved by 3:00 p.m., May 21, 2009, 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 21, 2009, 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. It will also include instructions for wire transfer of the remaining balance (if any) of the bonus bid, interest percentage to be paid on the balance of the bonus bid and annual rental along with the instructions for return of the leases.
3. Failure to comply with the Award Notice will cause forfeiture of the right to lease the sale tract and forfeiture of the 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, or Dianna Lewis (907) 269-8810, email: dianna.lewis@alaska.gov.



Kevin R. Banks,
Director

Attachment A

ESTIMATED ACREAGE OF TRACTS IN ALASKA PENINSULA AREAWIDE SALE AREA

**Bidders please note: there is an acreage limitation for oil and gas leases.
See AS 38.05.140(c).**

<u>Tract Number</u>	<u>Estimated Acres</u>
Tracts 0001 - 0117	5,760
Tract 0118	4,480
Tracts 0119 – 0146	5,760
Tract 0147	2,560
Tracts 0148 – 0166	5,760
Tracts 0167 – 0168	5,120
Tracts 0169 – 0188	5,760
Tract 0189	4,480
Tract 0190	3,840
Tract 0191	5,120
Tract 0192	5,760
Tract 0193	1,280
Tract 0194	5,760
Tract 0195	5,120
Tract 0196	3,840
Tract 0197	3,200
Tracts 0198 – 0213	5,760
Tract 0214	3,200
Tract 0215	1,280
Tracts 0216 – 0217	5,760
Tract 0218	1,920
Tract 0219	3,200
Tracts 0220 – 0234	5,760
Tract 0235	2,560
Tract 0236	1,920
Tract 0237	5,760
Tracts 0238 – 0240	4,480
Tracts 0241 – 0254	5,760
Tract 0255	3,200
Tracts 0256 – 0265	5,760
Tract 0266	5,120
Tracts 0267 – 0285	5,760
Tract 0286	5,120
Tracts 0287 – 0295	5,760
Tract 0296	4,480
Tracts 0297 – 0316	5,760
Tracts 0317 – 0326	3,840
Tracts 0327 – 0336	5,760

Tract Number	Estimated Acres
Tract 0337	2,560
Tracts 0338 – 0347	5,760
Tract 0348	1,920
Tracts 0349 – 0358	5,760
Tract 0359	2,560
Tracts 0360 – 0369	5,760
Tract 0370	3,200
Tracts 0371 – 0380	5,760
Tract 0381	3,840
Tracts 0382 – 0389	5,760
Tract 0390	3,200
Tract 0391	4,480
Tract 0392	5,120
Tracts 0393 – 0410	5,760
Tract 0411	3,200
Tracts 0412 – 0421	5,760
Tract 0422	3,840
Tracts 0423 – 0432	5,760
Tract 0433	4,480
Tracts 0434 – 0443	5,760
Tract 0444	5,120
Tracts 0445 – 0455	5,760
Tract 0456	3,200
Tracts 0457 – 0466	5,760
Tracts 0467 – 0468	3,840
Tracts 0469 – 0476	5,760
Tract 0477	3,840
Tracts 0478 – 0485	5,760
Tract 0486	3,840
Tract 0487	3,200
Tracts 0488 – 0496	5,760
Tract 0497	5,120
Tract 0498	2,560
Tracts 0499 – 0508	5,760
Tract 0509	4,480
Tracts 0510 – 0518	5,760
Tract 0519	5,120
Tracts 0520 - 0529	5,760
Tract 0530	3,840
Tracts 0531 – 0544	5,760
Tract 0545	3,840
Tract 0546	5,120
Tracts 0547 – 0561	5,760
Tract 0562	4,480
Tracts 0563 – 0572	5,760

Tract Number	Estimated Acres
Tract 0573	5,120
Tracts 0574 – 0583	5,760
Tract 0584	4,480
Tracts 0585 – 0590	5,760
Tract 0591	3,840
Tracts 0592 – 0598	5,760
Tract 0599	3,840
Tracts 0600 – 0605	5,760
Tract 0606	3,840
Tract 0607	3,200
Tracts 0608 – 0615	5,760
Tract 0616	1,920
Tracts 0617 - 0623	5,760
Tract 0624	3,840
Tracts 0625 – 0632	5,760
Tract 0633	4,480
Tract 0634	3,200
Tracts 0635 – 0644	5,760
Tract 0645	3,840
Tract 0646	2,560
Tracts 0647 – 0658	5,760
Tract 0659	2,560
Tracts 0660 – 0665	5,760
Tract 0666	3,840
Tract 0667	3,200
Tracts 0668 – 0675	5,760
Tract 0676	3,840
Tract 0677	3,200
Tracts 0678 – 0687	5,760
Tract 0688	4,480
Tracts 0689 – 0698	5,760
Tract 0699	3,840
Tract 0700	2,560
Tracts 0701 – 0708	5,760
Tract 0709	3,200
Tracts 0710 – 0719	5,760
Tract 0720	2,560
Tracts 0721 – 0730	5,760
Tract 0731	3,840
Tract 0732	2,560
Tracts 0733 – 0743	5,760
Tract 0744	5,120
Tract 0745	1,280
Tracts 0746 – 0755	5,760
Tract 0756	5,120

Tract Number	Estimated Acres
Tracts 0757 – 0783	5,760
Tract 0784	3,840
Tract 0785	4,480
Tracts 0786 – 0792	5,760
Tract 0793	3,840
Tracts 0794 – 0801	5,760
Tract 0802	1,280
Tracts 0803 - 0804	4,480
Tract 0805	1,920
Tracts 0806 – 0811	5,760
Tracts 0812 – 0813	5,120
Tracts 0814 – 0819	5,760
Tracts 0820 – 0821	3,840
Tracts 0822 – 0837	5,760
Tract 0838	4,480
Tract 0839	3,840
Tract 0840	3,200
Tract 0841	3,840
Tracts 0842 – 0862	5,760
Tracts 0863 – 0864	5,120
Tracts 0865 – 0888	5,760
Tract 0889	4,480
Tracts 0890 – 0912	5,760
Tract 0913	3,200
Tracts 0914 – 0937	5,760
Tracts 0938 – 0939	4,480
Tracts 0940 – 0965	5,760
Tract 0966	3,200
Tracts 0967 – 0993	5,760
Tract 0994	5,120
Tract 0995	1,280
Tracts 0996 – 1009	5,760
Tract 1010	5,120
Tracts 1011 – 1024	5,760
Tract 1025	3,840
Tract 1026	4,480
Tracts 1027 – 1029	5,760
Tract 1030	4,480
Tracts 1031 – 1034	5,760
Tract 1035	2,560
Tracts 1036 – 1039	5,760
Tract 1040	3,840
Tract 1041	3,200
Tracts 1042 – 1047	<u>5,760</u>

Total **5,794,941 est. acres Alaska Peninsula**

**ESTIMATED ACREAGE OF TRACTS IN THE COOK INLET
AREAWIDE SALE AREA**

<u>Tract Number</u>	<u>Estimated Acres</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

Tract Number	Estimated Acres
Tracts 0310 through 0319	5,760 each
Tract 0320	5,120
Tract 0321	4,480
Tracts 0322 through 0331	3,840 each
Tract 0332	2,560
Tract 0333	3,840
Tract 0334	1,920
Tracts 0335 through 0344	5,760 each
Tracts 0345 through 0380	2,560 each
Tracts 0381 through 0398	5,760 each
Tracts 0399 through 0407	3,840 each
Tract 0408	4,480
Tract 0409	3,840
Tracts 0410 through 0421	5,760 each
Tracts 0422 through 0430	2,560 each
Tract 0431	3,200
Tract 0432	1,920
Tract 0433	1,280
Tracts 0434 through 0443	2,560 each
Tracts 0444 through 0483	5,760 each
Tracts 0484 through 0501	2,560 each
Tracts 0502 and 0503	5,760 each
Tract 0504	3,840
Tract 0505	4,480
Tracts 0506 and 0507	5,760 each
Tract 0508	3,840
Tract 0509	5,120
Tracts 0510 through 0543	5,760 each
Tracts 0544 through 0561	2,560 each
Tracts 0562 through 0596	5,760 each
Tract 597	5
Tract 598	5,760
Tracts 0599 through 0607	2,560 each
Tracts 0608 through 0643	5,760 each
Tracts 0644 through 0652	2,560 each
Tracts 0653 through 0718	5,760 each
Tract 0719	3,840
Tracts 0720 and 0721	5,760 each
Tract 0722	3,840
Tracts 0723 through 0734	5,760 each
Tract 0735	3,840
Tract 0736	2,560
Tracts 0737 and 0738	5,760 each
Tract 0739	3,840
Tract 0740	5,760
Tract 0741	3,840

<u>Tract Number</u>	<u>Estimated Acres</u>
Tracts 0742 and 0743	5,760 each
Tract 0744	3,840
Tracts 0745 through 0756	5,760 each
Tract 0757	3,840
Tract 0758	5,760
Tract 0759	3,840
Tract 0760	4,480
Tract 0761	5,760
Tract 0762	2,560
Tracts 0763 and 0764	3,840 each
Tracts 0765 and 0766	5,760 each
Tract 0767	5,120
Tracts 0768 through 0782	5,760 each
Tract 0783	3,840
Tract 0784	3,200
Tract 0785	3,840
Tracts 0786 through 0806	5,760 each
Tract 0807	1,920
Tract 0808	3,840
Tracts 0809 through 0814	5,760 each
Tract 0815	<u>3,840</u>
Total	3,982,725 est. acres Cook Inlet Areawide