

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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February 22, 2010

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NOTICE OF SALE

ALASKA PENINSULA AREAWIDE 2010 COOK INLET AREAWIDE 2010 COMPETITIVE OIL AND GAS LEASE SALES

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), is offering lands for competitive oil and gas leasing in the Alaska Peninsula (AP) and Cook Inlet Areawide (CI) 2010 Oil and Gas Lease Sale on May 26, 2010. Bid opening begins at 9:00 a.m. at the Dena'ina Civic Convention Center, 600 W. 7th Avenue, Anchorage.

The Alaska Peninsula Areawide sale area encompasses approximately 5.8 million acres and is divided into 1,047 tracts ranging in size from 1,280 to 5,760 acres. The sale area encompasses onshore and offshore acreage that stretches from the Nushagak Peninsula in the north, down the north side of the Alaska Peninsula to just north of Cold Bay. Tracts 1027, 1028, 1031, 1032, 1036, 1037, 1042 and 1043, located in T. 53 & 54 S., R. 85 W., Seward Meridian are deferred from this sale.

The Cook Inlet Areawide sale area encompasses approximately 4 million acres and is divided into 815 tracts ranging in size from 640 to 5,760 acres located in the Matanuska and Susitna valleys, the Anchorage bowl, the western and southern Kenai Peninsula from Pt. Possession to Anchor Point, on the western shore of Cook Inlet from the Beluga River to Harriet Point, and within Cook Inlet. Tracts 272 and 597, located in T. 9 N., R. 9 W. and T. 14 N., R. 8 W., Seward Meridian, are deferred from this sale.

Alaska Peninsula Areawide 2010

Bid Submission: Bids must be received by the DO&G no later than 4:00 p.m. May 24, 2010.
Bidding Method: Cash bonus bidding with a minimum bid of five dollars (\$5) per acre on all tracts.
Royalty Rate: All leases will have a fixed royalty rate of twelve and one-half percent (12 1/2%).
Lease Term: All leases will have an initial primary term of ten (10) years.

Cook Inlet Areawide 2010

Bid Submission: Bids must be received by the DO&G no later than 4:00 p.m. May 24, 2010.
Bidding Method: Cash bonus bidding with a minimum bid of ten dollars (\$10.00) per acre on all tracts.
Royalty Rate: All leases will have a fixed royalty rate of twelve and one-half percent (12 1/2%).
Length of Lease: Leases for tracts 11-13, 15-17, 33, 34, 36-46, 62, 63, 65-69, 72, 91-95, 97, 98, 133-137, 140, 163-171, 174, 200, 276, 279-281, 283-287, 289, 342, 345-354, 357, 360, 361, 396, 397, 399-403, 414, 415, 418, 420, 421, 425, 428, 429, 476-484, 487, 490, 735 will have a primary term of ten years. All other leases will have a primary term of seven years.

Rental

Annual rental 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 Information

Complete details regarding the lease sale, including the entire sale announcement, instructions to bidders, and regional tract maps are available on the division's website at <http://www.dog.dnr.state.ak.us/>. If unable to access this information, contact Jennifer Haines by phone at (907) 375-8247 or by email at jennifer.haines@alaska.gov. Sale announcements and regional tract maps are also available in the following locations:

Alaska Peninsula: Bristol Bay Middle/High School, King Cove School, Cold Bay School, Sandpoint School, False Pass School, Nelson Lagoon School, Akutan School, Bristol Bay Borough offices, Lake and Peninsula Borough offices, Aleutians East Borough offices and Loussac Public Library in Anchorage.

Cook Inlet: Public libraries in Palmer, Wasilla, Kenai, Ninilchik, Homer, Soldotna, Anchor Point and Seldovia; the Loussac Public Library in Anchorage; the Matanuska-Susitna Planning Dept. offices in Palmer; the Kenai Peninsula Borough Planning Dept. offices in Soldotna; and the Anchorage Municipal Clerk's office.

Decision of Substantial New Information for Alaska Peninsula Areawide 2010 Sale

The commissioner has issued a Decision of Substantial New Information and Supplement for the AP 2010 sale, both of which are available on the division's website and at the above-mentioned locations.

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

Decision of Substantial New Information for Cook Inlet Areawide 2010

The commissioner has issued a Decision of Substantial New Information and Supplement for the CI 2010 sale, both of which are available on the division's website and at the above-mentioned locations.

Compliance with the Americans with Disabilities Act of 1990

This publication will be made available in alternative communication formats upon request. Please contact Jennifer Haines at (907) 375-8247 to make any necessary arrangements.

The ADNR reserves the right to waive technical defects in this publication.



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