



March 16, 2015

**NOTICE OF SALE
ALASKA PENINSULA AREAWIDE 2015 AND
COOK INLET AREAWIDE 2015W
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 Alaska Peninsula Areawide 2015 (AP 2015) Competitive Oil and Gas Lease Sale and the Cook Inlet Areawide 2015W (CI 2015W) Competitive Oil and Gas Lease Sale. 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, May 4, 2015 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.

Public bid opening – Wednesday, May 6, 2015 from 9:00 a.m. until all bids are read at the Dena'ina Civic and Convention Center, 600 West 7th Avenue, Anchorage, Alaska.

Areawide Lease Sale Locations

The Alaska Peninsula Areawide encompasses about 4 million onshore acres and 1.75 million acres of offshore state waters. There are 1,047 tracts ranging in size from 640 to 5,760 acres. The sale area is located on the north side of the Alaska Peninsula. It stretches from the Nushagak Peninsula in the north, then south and west to the vicinity of Cold Bay. The sale area lies within the Aleutians East Borough, Bristol Bay Borough, Lake & Peninsula Borough, and the Dillingham Census Area.

The Cook Inlet Areawide lease sale encompasses about 4.2 million gross acres divided into 815 tracts currently ranging in size from 640 to 5,760 acres. These tracts are located within the Matanuska-Susitna, Anchorage, and Kenai Boroughs, and consist of state-owned uplands located in the Matanuska and Susitna river valleys generally south and west of Houston and Wasilla, the Anchorage bowl, and the western shore of Cook Inlet from Beluga River to Harriet Point. The lease sale area also includes the tide and submerged lands in upper Cook Inlet from Knik Arm and Turnagain Arm south to Anchor Point and Tuxedni Bay. The area is bounded on the east by the Chugach and Kenai mountains and on the west by the Aleutian Range.

Sale Documents

Complete details regarding the AP 2015 and CI 2015W lease sales, including Notice of Sale, Sale Announcement and Instructions to Bidders, Attachment A with estimated tract acreage figures and deferred tracts, lease forms, mitigation measures, Bid Form for DNR Areawide Oil & Gas Lease Sale, and tract map, are on the DO&G website at <http://dog.dnr.alaska.gov/Leasing/PreviousSales.htm>.

These documents are also available in the following locations:

Alaska Peninsula: King Cove School Library, Sand Point School Library, Nelson Lagoon School Library, Chignik Lake School Library, Dillingham Public/School Library, Egegik Village Library, Pilot Point Library; Z.J. Loussac Public Library in Anchorage; Alaska Resources Library & Information Services in Anchorage, Bristol Bay Borough offices, Lake and Peninsula Borough offices, and Aleutians East Borough offices.

Cook Inlet: Public libraries in Wasilla, Ninilchik, Homer, Soldotna, Anchor Point, Seldovia, and Willow; Tyonek School Library; the Matanuska-Susitna Planning Department offices in Palmer; the Kenai Peninsula Borough Planning Department offices in Soldotna; the Anchorage Municipal Clerk's office; the Z.J. Loussac Public Library in Anchorage; and Alaska Resources Library & Information Services in Anchorage.

If unable to access this information, call the Leasing Section at (907) 269-8800 or email dog.leasing@alaska.gov. You may subscribe to email announcements from the Leasing Section at <http://list.state.ak.us/soalists/DOG.Licensing/il.htm>.

Sale Terms and Conditions

Alaska Peninsula Areawide 2015 Competitive Oil and Gas Lease Sale Terms and Conditions						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
All AP 2015 Tracts	Cash Bonus	\$5.00 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 per acre	DOG201503

Cook Inlet Areawide 2015W Competitive Oil and Gas Lease Sale Terms and Conditions						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
All CI 2015W Tracts	Cash Bonus	\$25.00 per acre	12.5% Fixed	10 Years	Years 1 – 7: \$10.00 per acre Years 8+: \$250.00 per acre	DOG201503W

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.

New Lease Provision

The lease forms specified above include the following lease provision:

Paragraph 21(b) The State may require such financial assurances as the Commissioner determines necessary to ensure the Lessee's ability to meet its obligations under this paragraph. If at any time the Commissioner determines that existing financial assurances are insufficient to satisfactorily guarantee the performance of all the Lessee's obligations under this paragraph, the Commissioner may require the delivery of such substitute or supplemental financial assurances as the Commissioner determines necessary.

Tracts Deferred or Deleted from Sale

Deferred 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 at <http://dog.dnr.alaska.gov/Leasing/PreviousSales.htm>.

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

The AP 2015 and CI 2015W lease sales are being held under AS 38.05.035(e)(6)(F) and AS 38.05.180. DO&G issued the Alaska Peninsula areawide oil and gas lease sales written finding of the director on November 26, 2014, corrected December 1, 2014, authorizing the areawide lease sale. On October 9, 2014, DO&G issued a Call for New Information for the January 20, 2009 Cook Inlet areawide oil and gas lease sale final finding of the director authorizing the areawide sale and 2010 and 2011 supplements. Based on the information received in response to the Call for New Information, the DO&G issued a Decision of No Substantial New Information on January 20, 2015.

The Alaska Peninsula Areawide and Cook Inlet Areawide final best interest findings and supplements are available on the DO&G website at <http://dog.dnr.alaska.gov/Leasing/BestInterestFindings.htm> and at the DO&G office in Anchorage.

Americans with Disabilities Act Compliance

The State of Alaska, DNR, 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 call the Leasing Section at (907) 269-8800 or email dog.leasing@alaska.gov to make any necessary arrangements.



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