



September 28, 2015

**NOTICE OF SALE
BEAUFORT SEA AREAWIDE 2015W
NORTH SLOPE AREAWIDE 2015W and
NORTH SLOPE FOOTHILLS AREAWIDE 2015
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 2015W (BSA 2015W), North Slope Areawide 2015W (NSA 2015W), and North Slope Foothills 2015 (FHA 2015) 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, November 16, 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 to DNR Division of Oil & Gas, Attn: Lease Sale, 550 W 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3560.

Public bid opening – Wednesday, November 18, 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 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 the BSA 2015W, NSA 2015W, and FHA 2015 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/SaleDocuments.htm>.

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 and Z. J. Loussac Public Library in Anchorage.

If unable to access this information, call the Asset Management 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/soalists/DOG.Licensing/jl.htm>.

Sale Terms and Conditions

| Beaufort Sea Areawide 2015W | | | | | | |
|--|--------------|------------------|-----------------|--------------------|--|---------------|
| 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 Year 8+: \$250.00 per acre** | DOG201503W AS |
| All Other BSA 2015W Tracts | Cash Bonus | \$25.00 per acre | 16.66667% Fixed | 8 Years* | Years 1 – 6: \$10.00 per acre Year 7: \$100.00 per acre** Year 8: \$250.00 per acre** | DOG201509W |
| *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 2015W | | | | | | |
|--|--------------|------------------|-----------------|--------------------|--|---------------|
| 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+: \$250.00 per acre** | DOG201503W AS |
| All Other Tracts in North Sub-Region | Cash Bonus | \$25.00 per acre | 16.66667% Fixed | 8 Years* | Years 1 – 6: \$10.00 per acre Year 7: \$100.00 per acre** Year 8: \$250.00 per acre** | DOG201509W |
| All Other Tracts in South Sub-Region | Cash Bonus | \$25.00 per acre | 12.5% Fixed | 8 Years* | Years 1 – 6: \$10.00 per acre Year 7: \$100.00 per acre** Year 8: \$250.00 per acre** | DOG201509W |
| *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 2015 | | | | | | |
|-------------------------------------|--------------|------------------|--------------|--------------------|---|------------|
| Lease Sale Tracts | Bid Variable | Minimum Bid | Royalty Rate | Primary Lease Term | Annual Rental Rate | Lease Form |
| All FHA 2015 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 | DOG201503 |

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 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/Leasing/SaleDocuments.htm> for updated Attachment A documents.

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

The BSA 2015W, NSA 2015W, and FHA 2015 lease sales are being held under AS 38.05.035(e)(6)(F) and AS 38.05.180. On March 20, 2015, DO&G issued a Call for New Information for the 2009 Beaufort Sea, the 2008 North Slope, and the 2011 North Slope Foothills best interest findings authorizing the Areawide lease sales 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 June 12, 2015.

The 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 (907) 269-8800 or email dog.leasing@alaska.gov to make any necessary arrangements.



Corri A. Feige
Director, Division of Oil and Gas