

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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September 8, 2009

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Instructions to Bidders

**BEAUFORT SEA AREA WIDE 2009 POSTPONED
NORTH SLOPE AREA WIDE 2009
NORTH SLOPE FOOTHILLS AREA WIDE 2009**

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 October 26, 2009. 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.

Note: If an individual has already qualified in a previous lease sale or through an assignment of interest in a lease they need to insure that all information is current.

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.

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 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 North Slope Areawide (NS) 2009, and North Slope Foothills Areawide (FH) 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 should equal 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".

- 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	Total Estimated Bonus Bid
x 20.00000%	minimum bid deposit required
= \$3,943.68	minimum bid deposit amount
= \$3,944.00	bid deposit after <u>rounding upwards</u> to nearest whole dollar.

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, North Slope Areawide Lease Sale 2009
Not to be opened until 9:00 a.m., October 28, 2009; Tract #_____

or

State of Alaska, North Slope Foothills Areawide Lease Sale 2009
Not to be opened until 9:00 a.m., October 28, 2009; Tract #_____

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.

C. Bid Submission

Hand-carried bids will be received for these sales on October 26, 2009 in DO&G's offices in Suite 800 of the Atwood Building, located at 550 W. 7th Ave., Anchorage, Alaska. Mailed bids, and bids sent by delivery service, must be sent to the Director, DO&G, 550 West 7th Ave., Suite 800, Anchorage, Alaska 99501-3560.

The division must receive all bids no later than 4:00 p.m. October 26, 2009. Bids arriving prior to October 26, 2009, will be held by DO&G until 9:00 a.m. October 26, 2009, and will be officially received at that time. Information regarding the bids will be held confidential until the day of the sale.

BIDS RECEIVED AFTER 4:00 p.m. (ADT), October 26, 2009 WILL BE REJECTED

D. Bid Processing and Reading

The NS 2009, and the FH 2009 lease sales will be held on October 28, 2009, in the Dena’ina Civic Convention Center, 600 W. 7th Avenue, Anchorage. Please note the new location. Bids will be processed in the following manner:

- October 28, 2009, 9:00 a.m. - bids will be opened and read in public in Anchorage at the Dena’ina Civic Convention Center, 600 W. 7th Avenue, Anchorage. Bid opening may take one hour or longer, depending on the amount of bids received.

2. October 28 (upon return from sale) approx. 10:30 a.m. – 4:30 p.m., and October 29, 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 October 30, 2009, in Suite 800, of the Atwood Building, located at 550 W. 7th Ave., in Anchorage, Alaska. Bid deposits that have not been retrieved by 3:00 p.m., October 30, 2009, will be returned to the bidder by mail 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 October 29, 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.

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.

E. 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.** Once the commissioner accepts the apparent high bids and bid deposits, the high bidders 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 Bidders** has been issued, DO&G will initiate a title and survey review for each tract receiving a high bid. Once the title review has been completed and the Cadastral Survey Section has determined leaseable acreage for the tract, DO&G will issue **Award Notices** to the successful bidders. The **Award Notices** will inform the successful bidders of the actual total amount of leaseable acreage within the tracts and the actual total bonus bid amounts for the tracts.

Note: 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.

Note: The title and survey review may take several months for completion.

For further information regarding either areawide sale, please contact Dianna Lewis, DO&G, Anchorage, Alaska (907) 269-8810, email: dianna.lewis@alaska.gov, or Jennifer Haines (907) 375-8247, email: jennifer.haines@alaska.gov.



Kevin R. Banks
Acting Director

**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 offered in North Slope Areawide Oil and Gas Lease Sales

<u>Tract Number</u>	<u>Estimated Acreage</u>
Tract 0001	5,120
Tract 0002	3,840
Tracts 0003 through 0088	5,760 each
Tract 0089	5,120
Tract 0090	5,760
Tract 0091	3,840
Tracts 0092 through 0175	5,760 each
Tracts 0176 and 0177	3,840 each
Tract 0178	5,760
Tract 0179	4,480
Tracts 0180 through 0261	5,760 each
Tract 0262	3,840
Tract 0263	3,200
Tract 0264	5,760
Tracts 0265 and 0266	5,120 each
Tract 0267	5,760
Tract 0268	3,840
Tracts 0269 through 0350	5,760 each
Tract 0351	3,840
Tract 0352	1,920
Tracts 0353 through 0432	5,760 each
Tract 0433	4,480
Tracts 0434 through 0437	3,840 each
Tracts 0438 through 0518	5,760 each
Tract 0519	3,840
Tracts 0520 through 0601	5,760 each
Tract 0602	5,120
Tract 0603	5,760
Tract 0604	3,840
Tract 0605	3,200
Tracts 0606 and 0607	4,480 each
Tract 0608	3,840
Tract 0609	5,120
Tracts 0610 and 0611	3,840 each
Tract 0612	5,120
Tract 0613	5,120
Tract 0614	3,840
Tracts 0615 through 0652	5,760 each
Tracts 0653 through 0744	2,560 each
Tract 0745	3,200

<u>Tract Number</u>	<u>Estimated Acreage</u>
Tract 0746	1,920
Tracts 0747 through 0751	2,560 each
Tract 0752	1,920
Tracts 0753 through 0913	2,560 each
Tract 0914	1,920
Tract 0915	2,560
Tract 0916	3,200
Tract 0917	1,920
Tract 0918	640
Tracts 0919 through 0923	2,560 each
Tract 0924	1,920
Tracts 0925 and 0926	2,560 each
Tract 0927	1,280
Tracts 0928 through 1031	2,560 each
Tract 1032	1,280
Tract 1033	2,560
Tract 1034	1,920
Tract 1035	2,560
Tract 1036	640
Tracts 1037 through 1133	2,560 each
Tract 1134	1,280
Tract 1135 through 1225	2,560 each

Estimated Acreage for Tracts offered in North Slope Foothills Oil and Gas Lease Sales

<u>Tract Number</u>	<u>Estimated Acreage</u>
Tracts 0001 through 0094	5,760
Tract 0095	3,200
Tract 0096 and 0097	5,760
Tract 0098	3,200
Tracts 0099 through 0314	5,760
Tracts 0315 and 0316	3,840
Tracts 0317 through 0552	5,760
Tract 0553	1,920
Tract 0554	5,760
Tract 0555	1,920
Tracts 0556 through 0711	5,760
Tract 0712	2,560
Tract 0713	5,120
Tract 0714	3,200
Tracts 0715 through 0746	5,760
Tract 0755	5,760
Tract 0756	5,120
Tract 0757	3,840
Tracts 0758 through 0762	5,760
Tract 0763	5,120
Tract 0764	3,840
Tract 0765	5,760
Tracts 0766 through 0767	3,840
Tract 0768	2,560
Tracts 0769 through 0780	5,760
Tract 0781	4,480
Tracts 0782 through 0797	5,760
Tracts 0798 and 0799	5,120
Tract 0800	5,760
Tracts 0801 and 0802	3,840
Tracts 0803 through 0823	5,760
Tract 0824	5,120
Tracts 0825 and 0826	5,760
Tract 0827	5,120
Tracts 0828 through 0831	5,760
Tract 0832	3,200
Tract 0833	5,760
Tract 0834 through 0836	5,120
Tract 0837	3,200
Tract 0838	3,840
Tracts 0839 through 0871	5,760
Tract 0872	2,560
Tracts 0873	5,760
Tract 0874	3,840

<u>Tract Number</u>	<u>Estimated Acreage</u>
Tracts 0875 through 0895	5,760
Tracts 0896 and 0897	4,480
Tracts 0898 through 0964	5,760
Tracts 0965 and 0966	3,840
Tracts 0967 through 1032	5,760
Tracts 1033 and 1034	3,840
Tracts 1035 through 1100	5,760
Tracts 1101 and 1102	3,840
Tracts 1103 through 1167	5,760
Tracts 1168 through 1226	5,760
Tracts 1227 through 1237	5,760
Tract 1238	3,840
Tracts 1239 through 1286	5,760
Tracts 1287 through 1296	5,760
Tract 1297	5,120
Tracts 1298 and 1299	5,760
Tract 1300	3,840
Tracts 1301 and 1302	5,760
Tracts 1303 and 1304	1,920
Tracts 1305 and 1306	5,760
Tracts 1307 and 1308	1,920
Tracts 1309 and 1310	5,760
Tracts 1311 and 1312	1,920
Tracts 1313 and 1314	5,760
Tracts 1315 and 1316	3,840
Tracts 1317 and 1318	5,760
Tract 1319	3,840
Tract 1320	2,560
Tracts 1321 and 1322	5,760
Tracts 1323 and 1324	3,840
Tracts 1325 and 1326	5,760
Tracts 1327 and 1328	3,840
Tracts 1329 and 1330	5,760
Tracts 1331 and 1332	3,840
Tracts 1333 and 1334	5,760
Tracts 1335 and 1336	3,840
Tracts 1337 and 1338	5,760
Tract 1339	5,760
Tract 1340	3,840
Tracts 1348 through 1355	3,840
Tracts 1383 and 1384	1,280
Tracts 1385 and 1386	1,280
Tracts 1387 and 1388	1,280
Tract 1389	1,280