

# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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September 8, 2010

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## Instructions to Bidders

BEAUFORT SEA AREAWIDE 2010A  
NORTH SLOPE AREAWIDE 2010  
NORTH SLOPE FOOTHILLS AREAWIDE 2010

**PLEASE READ ALL INSTRUCTIONS CAREFULLY. AN ERROR ON YOUR PART COULD RESULT IN YOUR BID BEING REJECTED.**

### A. Pre-Qualification of Bidders

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 (ADCC&ED) to do business in Alaska. Please see [www.dog.dnr.state.ak.us/oil/programs/leasing/leaseadmin/qual\\_faq](http://www.dog.dnr.state.ak.us/oil/programs/leasing/leaseadmin/qual_faq) 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 the DO&G no later than 4:00 p.m., October 22, 2010:**

#### 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 available) 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 on file with the DO&G 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 **2010** 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:
- (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 the DO&G.

**\* The required Alaska certificates must be requested from the ADCC&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 ADCC&ED, Corporations Section; PO Box 110808, Juneau, AK 99811-0808, email [corporations@alaska.gov](mailto:corporations@alaska.gov) or call (907) 465-2530. Upon proper application, the ADCC&ED will issue the requested certificate. If not purchased online, please allow 10 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. Limited Partnerships: Before transacting business in this state, a foreign limited partnership shall register through the ADCC&ED at their web site: [www.commerce.state.ak.us/occ/home\\_corporations](http://www.commerce.state.ak.us/occ/home_corporations). (AS 32.11.420)

Materials previously filed with the 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 the 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](mailto:dawn.greenan@alaska.gov).

**B. Preparing Bids for Submission**

1. Bids for Beaufort Sea Areawide 2010A (BS 2010A), North Slope Areawide 2010 (NS 2010), and North Slope Foothills Areawide 2010 (FH 2010) Oil and Gas Lease Sales 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 by cash, money order, cashier's check or certified check in U.S dollars that must equal **a minimum of 20% 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".
4. 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	<b>Total Estimated Bonus Bid</b>
x <u>20%</u>	<b>minimum bid deposit required</b>
= \$3,943.68	<b>minimum bid deposit amount</b>
= <b>\$3,944.00</b>	<b>bid deposit after rounding upwards to nearest whole dollar.</b>

**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% of the total estimated bid is being tendered.**

5. 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, Beaufort Sea Areawide Lease Sale 2010A**  
**Not to be opened until 9:00 a.m., October 27, 2010; 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% 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 25, 2010 in the DO&G's offices in Suite 800 of the Atwood Building, located at 550 W. 7<sup>th</sup> Ave., Anchorage, Alaska. Mailed bids and bids sent by delivery service must be sent to the Director, Attn: Lease Sales, DO&G, 550 West 7<sup>th</sup> Ave., Suite 800, Anchorage, Alaska 99501-3560.

The division must receive all bids no later than 4:00 p.m. October 25, 2010. Bids arriving prior to October 25, 2010, will be held by the DO&G until 9:00 a.m. October 25, 2010, 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. OCTOBER 25, 2010 WILL BE REJECTED.**

Submitted bids may be withdrawn prior to 9:00 a.m. October 27, 2010 without forfeiting the bid deposit. A bid deposit will be forfeited on any bid withdrawn after bid opening and prior to issuance of Award Notices.

**D. Bid Processing and Reading**

The BS 2010A, NS 2010, and FH 2010 lease sales will be held on October 27, 2010, in the auditorium of the Anchorage Museum at Rasmuson Center, located at 625 C Street in Anchorage. Please note the new location. Bids will be processed in the following manner:

1. October 27, 2010, 9:00 a.m. - bids will be opened and read in public in the auditorium of the Anchorage Museum at Rasmuson Center, located at 625 C Street in Anchorage. Bid opening may take one hour or longer, depending on the amount of bids received.
2. October 27 (upon return from sale) approx. 10:30 a.m. – 4:30 p.m., and October 28, 2010, 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 DO&G's website at [www.dog.dnr.state.ak.us/oil](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 29, 2010, in Suite 800 of the Atwood Building, located at 550 W. 7<sup>th</sup> Ave., in Anchorage, Alaska. Bid deposits that have not been retrieved by 3:00 p.m., October 29, 2010, 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 28, 2010, 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, the 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, the 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 these areawide sales, please contact Holly Poydack at [holly.poydack@alaska.gov](mailto:holly.poydack@alaska.gov) or (907) 269-8757.



Kevin R. Banks  
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 Beaufort Sea Areawide Oil and Gas Lease Sale 2010A

<u>Tract Number</u>	<u>Estimated Acreage</u>	<u>Tract Number</u>	<u>Estimated Acreage</u>
1 .....	2,560	77 through 115 .....	deferred
2 .....	3,840	116 .....	2,560
3 through 6 .....	5,120 each	117 through 121.....	deferred
7 .....	3,840	122.....	2,560
8 .....	3,200	123 through 124.....	deferred
9 .....	4,480	125 through 126.....	2,560
10 .....	2,560	127.....	3,200
11 and 12 .....	5,120 each	128.....	2,560
13 .....	4,480	129 through 130.....	deferred
14 .....	3,200	131 through 152 .....	2,560 each
15 and 16 .....	5,120 each	153 through 155 .....	1,920 each
17 and 18 .....	5,760 each	156 through 173 .....	2,560 each
19 .....	4,480	174 .....	1,920
20 .....	2,560	175 .....	3,200
21 .....	4,480	176 .....	1,920
22 .....	2,560	177 through 191 .....	2,560 each
23 and 24 .....	5,120 each	192 .....	1,920
25 and 26 .....	4,480 each	193 .....	1,280
27 through 39 .....	deferred	194 .....	2,560
40 through 44 .....	5,120 each	195 .....	3,200
45 .....	5,760	196 through 203 .....	2,560 each
46 .....	3,840	204 .....	1,920
47 .....	5,760	205 .....	2,560
48 .....	3,840	206 .....	1,920
49 .....	3,200	207 through 221 .....	2,560 each
50 and 51 .....	3,840 each	222 .....	3,200
52 .....	5,760	223 .....	1,920
53 and 54 .....	3,840 each	224 .....	2,560
55 and 56 .....	5,760 each	225 .....	3,200
57 .....	5,120	226 .....	2,560
58 .....	3,840	227 .....	1,920
59 .....	5,120	228 through 234 .....	2,560 each
60 .....	3,200	235 .....	640
61 .....	4,480	236 and 237.....	2,560 each
62 .....	2,560	238 .....	3,200
63 through 66 .....	3,840 each	239 through 249 .....	2,560 each
67 .....	5,760	250 .....	1,920
68 and 69 .....	5,120 each	251 and 252.....	2,560 each
70 and 71 .....	4,480 each	253 .....	1,920
72 .....	5,120	254 through 276 .....	2,560 each
73 and 74 .....	3,200 each	277 and 278.....	1,920 each
75 .....	4,480	279 through 288 .....	2,560 each
76 .....	2,560	289 .....	1,280

290 .....	2,560
291 .....	1,280
292 .....	1,920
<b>Tract Number</b>	<b>Estimated Acreage</b>
293 through 295 .....	2,560 each
296 .....	1,920
297 through 302 .....	2,560 each
303 .....	1,280
304 through 321 .....	2,560 each
322 .....	3,200
323 .....	1,920
324 through 332 .....	2,560 each
333 .....	1,280
334 .....	3,200
335 through 352 .....	2,560 each
353 .....	3,840
354 through 368 .....	2,560 each
369 and 370 .....	1,920 each
371 .....	1,280
372 through 384 .....	2,560 each
385 .....	3,200
386 through 402 .....	2,560 each
403 .....	3,200
404 .....	1,920
405 and 406 .....	2,560 each
407 .....	1,920
408 through 414 .....	2,560 each
415 through 417 .....	3,840 each
418 through 425 .....	2,560 each
426 and 427 .....	3,200 each
428 through 430 .....	2,560 each
431 .....	3,840
432 and 433 .....	1,920 each
434 .....	3,200
435 through 440 .....	2,560 each
441 .....	3,200
442 through 448 .....	2,560 each
449 .....	1,920
450 .....	1,280
451 through 453 .....	2,560
454 .....	3,840
455 .....	2,560
456 .....	3,200
457 through 459 .....	2,560 each
460 through 463 .....	5,760 each
464 .....	3,840
465 .....	5,760
466 .....	3,840
467 .....	5,760
468 and 469 .....	5,120 each

470 .....	3,840
471 .....	2,560
<b>Tract Number</b>	<b>Estimated Acreage</b>
472 .....	3,200
473 .....	1,920
474 through 482 .....	5,760 each
483 .....	4,480
484 .....	2,560
485 .....	5,760
486 .....	4,480
487 .....	5,760
488 .....	1,920
489 through 493 .....	5,760 each
494 .....	5,120
495 .....	3,200
496 .....	5,760
497 .....	4,480
498 .....	5,120
499 .....	3,200
500 through 509 .....	5,760 each
510 .....	5,120
511 and 512.....	5,760 each
513 .....	5,120
514 and 515.....	4,480 each
516 and 517.....	5,120 each
518 and 519.....	4,480 each
520 through 522 .....	3,840 each
523 .....	2,560
524 and 525.....	5,120 each
526 .....	3,840
527 through 529 .....	5,760 each
530 .....	3,840
531 through 538 .....	5,760 each
539 .....	2,560
540 .....	1,920
541 .....	5,760
542 .....	4,480
543 and 544.....	5,120 each
545 and 546.....	5,760 each
547 .....	2,560
548 .....	4,480
549 .....	5,760
550 .....	3,840
551 .....	4,480
552 .....	5,120
553 .....	3,840
554 .....	5,120
555 .....	deferred
556 .....	5,120
557 through 573.....	deferred

## Attachment A

### Estimated Acreage for Tracts offered in North Slope Areawide Oil and Gas Lease Sale 2010

<u>Tract Number</u>	<u>Estimated Acreage</u>		
1 .....	5,760	614 .....	3,840
2 .....	3,840	615 through 652 .....	5,760 each
3 through 88 .....	5,760 each	653 through 733 .....	2,560 each
89 .....	5,120	734.....	deferred
90 .....	5,760	735 through 742.....	2,560 each
91 .....	3,840	743 through 744.....	deferred
92 through 175 .....	5,760 each	745 .....	3,200
176 and 177 .....	3,840 each	746 .....	1,920
178 .....	5,760	747 through 751 .....	2,560 each
179 .....	4,480	752 .....	1,920
180 through 261 .....	5,760 each	753 through 889 .....	2,560 each
262 .....	3,840	890 through 892.....	deferred
263 .....	3,200	893 through 897.....	2,560 each
264 .....	5,760	898 through 904.....	deferred
265 and 266 .....	5,120 each	905 through 906.....	2,560 each
267 .....	5,760	907 through 916 .....	deferred
268 .....	3,840	917 .....	1,920
269 through 350 .....	5,760 each	918 .....	640
351 .....	3,840	919 through 923 .....	2,560 each
352 .....	1,920	924 .....	1,920
353 through 432 .....	5,760 each	925 .....	deferred
433 .....	4,480	926 .....	2,560
434 through 437 .....	3,840 each	927 .....	1,280
438 through 518 .....	5,760 each	928 through 935 .....	2,560 each
519 .....	3,840	936 .....	deferred
520 through 601 .....	5,760 each	937 through 1031 .....	2,560 each
602 .....	5,120	1032 .....	1,280
603 .....	5,760	1033 .....	2,560
604 .....	3,840	1034 .....	1,920
605 .....	3,200	1035 .....	2,560
606 and 607 .....	4,480 each	1036 .....	640
608 .....	3,840	1037 through 1133 .....	2,560 each
609 .....	5,120	1134 .....	1,280
<u>Tract Number</u>	<u>Estimated Acreage</u>	1135 through 1144 .....	2,560 each
610 and 611 .....	3,840 each	1145 and 1146.....	deferred
612 and 613 .....	5,120	1147 through 1225 .....	2,560 each

## Attachment A

### Estimated Acreage for Tracts offered in North Slope Foothills Oil and Gas Lease Sale 2010

<u>Tract Number</u>	<u>Estimated Acreage</u>	<u>Tract Number</u>	<u>Estimated Acreage</u>
1 through 94 .....	5,760 each	872 .....	2,560
95 .....	3,200	873 .....	5,760
96 and 97 .....	5,760 each	874 .....	3,840
98 .....	3,200	875 through 895 .....	5,760 each
99 through 314 .....	5,760 each	896 and 897.....	4,480 each
315 and 316 .....	3,840 each	898 through 964 .....	5,760 each
317 through 552 .....	5,760 each	965 and 966.....	3,840 each
553 .....	1,920	967 through 1032 .....	5,760 each
554 .....	5,760	1033 and 1034.....	3,840 each
555 .....	1,920	1035 through 1100 .....	5,760 each
556 through 711 .....	5,760 each	1101 and 1102.....	3,840 each
712 .....	2,560	1103 through 1237 .....	5,760 each
713 .....	5,120	1238 .....	3,840
714 .....	3,200	1239 through 1296 .....	5,760 each
715 through 746 .....	5,760 each	1297 .....	5,120
747 through 754 .....	deleted from sale area	1298 and 1299.....	5,760 each
755 .....	5,760	1300 .....	3,840
756 .....	5,120	1301 and 1302.....	5,760 each
757 .....	3,840	1303 and 1304.....	1,920 each
758 through 762 .....	5,760 each	1305 and 1306.....	5,760 each
763 .....	5,120	1307 and 1308.....	1,920 each
764 .....	3,840	1309 and 1310.....	5,760 each
765 .....	5,760	1311 and 1312.....	1,920 each
766 through 767 .....	3,840 each	1313 and 1314.....	5,760 each
768 .....	2,560	1315 and 1316.....	3,840 each
769 through 780 .....	5,760 each	1317 and 1318.....	5,760 each
781 .....	4,480	1319 .....	3,840
782 through 797 .....	5,760 each	1320 .....	2,560
798 and 799 .....	5,120 each	1321 and 1322.....	5,760 each
800 .....	5,760	1323 and 1324.....	3,840 each
801 and 802 .....	3,840 each	1325 and 1326.....	5,760 each
803 through 823 .....	5,760 each	1327 and 1328.....	3,840 each
824 .....	5,120	1329 and 1330.....	5,760 each
825 and 826 .....	5,760 each	1331 and 1332.....	3,840 each
827 .....	5,120	1333 and 1334.....	5,760 each
828 and 829 .....	5,760 each	1335 and 1336.....	3,840 each
830 .....	5,120	1337 and 1339.....	5,760
830 .....	5,760	1340 .....	3,840
832 .....	3,200	1341 through 1347 .....	deleted from sale area
833 .....	5,760	1348 through 1355 .....	3,840 each
834 through 836 .....	5,120 each	1356 through 1382 .....	deleted from sale area
837 .....	3,200	1383 through 1389 .....	1,280 each
838 .....	3,840		
839 through 871 .....	5,760 each		