



August 9, 2013

NOTICE OF SALE

BEAUFORT SEA AREAWIDE 2013W NORTH SLOPE AREAWIDE 2013W NORTH SLOPE FOOTHILLS AREAWIDE 2013 COMPETITIVE OIL AND GAS LEASE SALES

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), is giving notice pursuant to AS 38.05.945(a)(4) that it is offering lands for competitive oil and gas leasing in the Beaufort Sea Areawide 2013W (BS 2013W) Competitive Oil and Gas Lease Sale, North Slope Areawide 2013W (NS 2013W) Competitive Oil and Gas Lease Sale, and North Slope Foothills Areawide 2013 (FH 2013) 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/>.

Bid acceptance will be 9:00 a.m. to 4:00 p.m. on November 4, 2013, at 550 West 7th Ave., Suite 800, Anchorage.

Bid opening will begin at 9:00 a.m. on November 6, 2013 at the Dena'ina Civic and Convention Center, located at 600 W. 7th Avenue, Anchorage.

The Beaufort Sea Areawide sale area is divided into 573 tracts ranging in size from 640 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 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). Tracts adjacent to federal lands in the Outer Continental Shelf (OCS), ANWR, and the NPR-A are being offered with terms that differ from all other tracts.

The North Slope Areawide sale area is divided into three sub-regions: North, South, and Adjacent to Federal Lands (the NPR-A and the ANWR). Each sub-region is being offered with different terms. The sale area is divided into 1,225 tracts, ranging in size from 640 to 5,760 acres. For this sale, certain tracts have been subdivided into four parcels: A, B, C and D. Tracts in this sale area are within the North Slope Borough between the Canning River and the ANWR on the east and the Colville River and the NPR-A on the west. The southern boundary of the sale area is the Umiat Meridian baseline.

The North Slope Foothills Areawide sale area is divided into 1,347 tracts ranging in size from 1,280 to 5,760 acres. These tracts are located between the ANWR and the 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.

Beaufort Sea Areawide 2013W

- Bidding Method:** All tracts – cash-bonus bidding.
Tracts adjacent to federal land (OCS, NPR-A and ANWR) – minimum bid, \$10.00/acre
All other tracts – minimum bid, \$25.00/acre.
- Royalty Rate:** Tracts adjacent to federal land (OCS, NPR-A and ANWR) – a fixed royalty rate of twelve and one-half percent (12.5%).
All other tracts – a fixed royalty rate of sixteen and two-thirds percent (16.66667%).
- Length of Lease:** All tracts – 10 years.
- Rental Rates:** Tracts adjacent to federal land (OCS, NPR-A and ANWR) – Year 1, \$1.00/acre; Year 2, \$1.50/acre; Year 3, \$2.00/acre, Year 4, \$2.50/acre; Years 5+, \$3.00/acre.
All other tracts - Years 1-7, \$10.00/acre; Years 8+, \$250.00/acre; 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 the lease.
- Deferred Tracts:** The DO&G has deferred leasing all tracts between Tangent Pt. and Pt. Barrow (tracts 555, 557 through 573), those east of Kaktovik (tracts 27 through 39), as well as tracts 318, 319, 321, 329, and 330. Deferral means that these tracts will not be offered for lease in this sale, but may be included in future lease sales. The DO&G will annually review the available information for these

tracts to determine whether to offer them in future lease sales. DO&G reserves the right to withdraw any acreage or tract from the sale at any time before issuing a lease. Please see Attachment A on the DO&G website (<http://dog.dnr.alaska.gov/Leasing/PreviousSales.htm#bsea>) for the current list of deferred tracts.

North Slope Areawide 2013W

Bidding Method: All tracts – cash-bonus bidding.
Adjacent to Federal Land sub-region – minimum bid, \$10.00/acre.
North and South sub-region – minimum bid, \$25.00/acre.

Royalty Rate: South and adjacent to Federal land sub-regions – a fixed royalty rate of twelve and one-half percent (12.5%).
North sub-region – a fixed royalty rate of sixteen and two-thirds percent (16.66667%).

Length of Lease: All tracts – 10 years.

Rental Rates: Adjacent to Federal Land sub-region – Year 1, \$1.00/acre; Year 2, \$1.50/acre; Year 3, \$2.00/acre; Year 4, \$2.50/acre; Years 5+, \$3.00/acre
North and South sub-regions - Years 1-7, \$10.00/acre; Years 8+, \$250.00/acre; except that beginning in the year after the year in which sustained production commences on this lease or the state otherwise determines in its sole discretion, upon request, that the lessee has exercised reasonable diligence in exploring and developing this 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 this lease and the types of work completed by or on behalf of the lessee on this lease.

Deferred Tracts: The DO&G has deferred leasing tracts 997, 1007, 1008, 1189, 1195, 1196, 1199, 1222 and 1225. Deferral means that these tracts will not be offered for lease in this sale, but may be included in future sales. The DO&G will annually review the available information for these tracts to determine whether to offer them in future lease sales. DO&G reserves the right to withdraw any acreage or tract from the sale at any time before issuing a lease. Please see the Attachment A on the DO&G website (<http://dog.dnr.alaska.gov/Leasing/PreviousSales.htm#nslope>) for the current list of deferred tracts.

North Slope Foothills Areawide 2013

Bidding Method: All tracts – cash-bonus bidding.
All tracts – minimum bid \$10.00/acre.

Royalty Rate: All tracts – a fixed royalty rate of twelve and one-half percent (12.5%).

Length of Lease: All tracts – 10 years.

Rental Rates: All tracts – Year 1, \$1.00/acre; Year 2, \$1.50/acre; Year 3, \$2.00/acre; Year 4, \$2.50/acre; Years 5+, \$3.00/acre.

Deferred Tracts: No tracts deferred at this time. DO&G reserves the right to withdraw any acreage or tract from the sale at any time before the issuance of a lease. Please see the Attachment A on the DO&G website (<http://dog.dnr.alaska.gov/Leasing/PreviousSales.htm#nslopefh>) for the current list of deferred tracts.

Bidder Information

Complete details regarding these lease sales, including the complete sale announcements, instructions to bidders, Attachment A, bid forms and tract maps are available on the DO&G website at <http://dog.dnr.alaska.gov/Leasing/PreviousSales.htm>. These documents are also available in the following locations:

Nuiqsut Public Library, North Slope Borough Library Media Center, North Slope Borough Offices, Tuzzy Consortium Library in Barrow, City of Barrow Municipal Offices, Anaktuvuk Pass Mayor's Office, Kaveolook School Library in Kaktovik, and Z. J. Loussac Public Library in Anchorage. Printed copies of the regional tract maps can be ordered for \$50 per set at the DO&G office.

If unable to access this information, contact Allen R. Eddy Jr. at (907) 375-8259 or allen.eddy@alaska.gov.

Decision of No Substantial New Information for the North Slope Areawide 2013W, Beaufort Sea Areawide 2013W and North Slope Foothills 2013 Oil and Gas Lease Sales

On March 22, 2013, the DO&G issued a Call for Substantial New Information for the BS2013W, NS2013W, and FH2013 lease sales. Based upon the information received, the ADNR issued a Decision of No Substantial New Information on July 1, 2013.

Americans with Disabilities Act Compliance

The State of Alaska, ADNR, DO&G complies with Title II of the Americans with Disabilities Act of 1990. This publication will be made available in alternative communication formats upon request. Please contact Allen R. Eddy Jr. at (907) 375-8259 to make any necessary arrangements.



W. C. Barron,
Director