



October 1, 2014

**NOTICE OF SALE
NORTH SLOPE AREAWIDE 2014W and
NORTH SLOPE FOOTHILLS AREAWIDE 2014 and
BEAUFORT SEA AREAWIDE 2014W
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 2014W (BS 2014W) Competitive Oil and Gas Lease Sale, North Slope Areawide 2014W (NS 2014W) Competitive Oil and Gas Lease Sale, and the North Slope Foothills Areawide 2014 (FH 2014) 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/>.

- Deadline for DO&G to receive all bids – Monday, November 17, 2014 at 4:00 p.m. at Suite 800 of the Atwood Building, 550 West 7th Avenue, Anchorage, Alaska or by mail
- Public bid opening – Wednesday, November 19, 2014 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 North Slope Areawide sale area is divided into four sub-regions: North, South, Adjacent to Federal Lands, and lands jointly owned by the State of Alaska and the Arctic Slope Regional Corporation (ASRC). Each sub-region is being offered with different terms. The sale area is divided into 3,022 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 Arctic National Wildlife Refuge (ANWR) on the east and the Colville River and National Petroleum Reserve – Alaska (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 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.

The Beaufort Sea Areawide sale area is divided into 573 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 southern fringe of the sale area includes some state-owned uplands lying between NPR-A and ANWR. Tracts jointly owned by the State of Alaska and ASRC and tracts adjacent to federal lands in the Outer Continental Shelf (OCS), ANWR, and NPR-A are being offered with terms that differ from all other tracts.

Sale Documents

Complete details regarding the BS 2014W, NS 2014W and FH 2014 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 Areawide Oil & Gas Lease Sale, and tract map, are available online 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, Kaveelook School Library in Kaktovik, Alaska Resource Library & Information Services in Anchorage, and Z. J. Loussac Public Library in Anchorage. Printed copies of the regional tract maps can be ordered for \$50 per set from DO&G.

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

Sale Terms and Conditions

North Slope Areawide 2014W 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
Adjacent to Federal Land (NPR-A, and ANWR, excluding ASRC/State 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	DOG201308
ASRC/State 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**	DOG201308W AS
All Other Tracts in the North Sub-region	Cash Bonus	\$25.00 per acre	16.66667% Fixed	10 Years	Years 1 – 7: \$10.00 per acre Years 8+: \$250.00 per acre**	DOG201308W
All Other Tracts in the South Sub-region	Cash Bonus	\$25.00 per acre	12.5% Fixed	10 Years	Years 1 – 7: \$10.00 per acre Years 8+: \$250.00 per acre**	DOG201308W
<p>**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.</p>						

North Slope Foothills Areawide 2014 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 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	DOG201308

Beaufort Sea Areawide 2014W 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
Adjacent to Federal Land (OCS, NPR-A, and ANWR, excluding ASRC/State 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	DOG201308
ASRC/State 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**	DOG201308W AS
All Other 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**	DOG201308W
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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 BS 2014W, NS 2014W and FH 2014 lease sales are being held under AS 38.05.035(e)(6)(F) and AS 38.05.180. On March 21, 2014, 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. Based upon the information received in response to the Call for New Information, DO&G issued a Decision of No Substantial New Information on June 26, 2014.

The Beaufort Sea Areawide, North Slope Areawide and North Slope Foothills Areawide final best interest findings and supplements are available online 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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