

FIVE-YEAR OIL AND GAS LEASING PROGRAM

JANUARY 1999



Alaska Department of
**NATURAL
RESOURCES**
DIVISION OF OIL AND GAS

Construction of the Badami Pipeline
at the Sagavanirktok River Crossing
North Slope, Alaska.

Photo By: Steve Schmitz
AK Division of Oil & Gas.

STATE OF ALASKA

FIVE-YEAR OIL AND GAS LEASING PROGRAM

Tony Knowles
Governor

John Shively
Commissioner
Department of Natural Resources

January 1999

Prepared for the First Session
Twenty First Alaska Legislature

TABLE OF CONTENTS

Introduction	1
Areawide Leasing	2
Leasing Methods and Exploration Incentive Credits	6
Qualifications for Bidding	9
State of Alaska Five-Year Oil and Gas Leasing Program	13
North Slope Areawide Sale	16
Cook Inlet Areawide Sales	18
Beaufort Sea Areawide Sales	22
North Slope Foothills Areawide 2001	24
Oil and Gas Lease Sales Results, 1997 - 1998	27
Summary of State Competitive Lease Sales	49
State Competitive Sale Areas	53
Acknowledgements	57

This document is available in PDF format on the Division of Oil and Gas Website, and may be downloaded from the site and then viewed and printed using Adobe Acrobat Reader.

www.dnr.state.ak.us/oil

Also found on the Website:

Personnel - staff directory

Lease Administration - lease inventory and lease changes; lease enforcement responsibilities; frequently asked questions; oil and gas definitions.

Lease Sales - lease sale statistics; results of recent sales; proposed sales; finding and notices; shallow gas leasing; exploration licensing.

Permitting - statutes and regulations governing the permitting process.

Royalty Accounting - royalty statistics.

Publications and Data Products - catalog of reports by the division; current oil and gas wells; oil and gas activity updates; information on oil and gas fields and accumulations; Alaska spot prices and production; etc.

INTRODUCTION

Oil and gas lease sales are the initial step in a process that generates nearly 80 percent of the state's income. The legislature has found that "the people of Alaska have an interest in the development of the state's oil and gas resources" and has specified in AS 38.05.180 that the Commissioner of the Department of Natural Resources (DNR) biennially prepare a five-year proposed oil and gas leasing program. This document presents DNR's proposed lease sales for 1999 through 2003. Beginning this year, this document will be updated every January and be available on the Division of Oil and Gas Website.

The primary purpose of the Five-Year Oil and Gas Leasing Program is to provide a stable and predictable schedule of proposed lease sales, which, if held, could result in the further development of Alaska's petroleum resources. The petroleum industry has come to rely on this program to plan for exploration and development expenditures. Business and labor use the program to prepare for the resultant economic opportunities.

Prior to a lease sale there is ample opportunity for individuals, organizations and agencies to comment on potential impacts of oil and gas exploration, development and transportation, and for agencies to consider these impacts. In response to comments received, and as a result of its own analysis, the Division of Oil and Gas develops mitigation measures designed to eliminate or reduce potential negative impacts that might occur. The division director then determines, in writing, whether or not it is in the state's best interest to proceed with a sale.

Although the primary purpose of leasing state lands is to provide for oil and gas development and the subsequent economic benefits, the program in itself has been a significant revenue source. During Fiscal Year 1998 (July 1, 1997 - June 30, 1998) 323 lease tracts were sold in three sales resulting in \$80.6 million in bonus bid income to the state. A report on the results of these sales begins on page 27. Fiscal Year 1998 lease rental payments approximated \$4.9 million, and royalty payments (including federal royalty, legal settlement payments and interest) totaled another \$790.8 million.

All lease sales since 1959 are listed in " Summary of State Competitive Lease Sales" (page 49). A description of lands included in each sale is found in "State Competitive Sale Areas"(page 53).

Sale Areas: A total of 16 lease sales are currently scheduled over the next five years. In 1999 and each year thereafter, the state proposes to conduct areawide sales on the North Slope, in the Cook Inlet area and in the Beaufort Sea. Fact sheets and maps describing these proposed sale areas can be found beginning on page 16.

AREAWIDE LEASING

To achieve stability and predictability in the leasing program, and in response to industry's request for more frequent sales, the state is implementing an annual areawide leasing program. The first areawide sale was conducted on the North Slope in June 1998. Beginning in 1999, similar sales are planned for the North Slope, the Beaufort Sea and the Cook Inlet area. Under areawide leasing the state will annually offer for lease all remaining available state acreage within these three regions. Conducting annual areawide sales will allow companies to fiscally plan for and develop their exploration strategies and budgets years in advance. The result will be more efficient exploration, leading to earlier development.

Administrative Process

Areawide leasing necessitated changes to DNR's administrative process prior to and following a sale. Previously, industry was asked to nominate areas to include in a sale, and DNR sought public comment on the proposed sale areas being considered for addition to the program. Since areawide leasing includes all available state acreage within each geographic region, there is no longer a need for industry nominations. Additionally, since the sale area within each region remains the same, it is no longer necessary to solicit public comment on the inclusion of these lands prior to issuing the five-year schedule. The public does, however, have an opportunity to comment on proposed sales every year.

DNR has divided each sale area into tracts that will remain fixed for future sales. Because of the large number of tracts involved, the extent of the state's ownership interest in these tracts is no longer determined prior to a sale. Instead, following a sale, DNR verifies title only for the acreage within tracts that are leased. Therefore, should a potential bidder require title or land status information for a particular tract prior to the sale, *it is the bidder's responsibility* to obtain that information from DNR's public records. Land records are maintained at the department's Public Information Center, located in Suite 200 at 3601 C St., Anchorage [(907) 269-8400]. A tract may contain land that the state cannot legally lease (i.e., part of an existing lease; federal, Native or private land; etc.). DNR assigns an acreage figure to each tract, which in many cases will be higher than the actual acreage available, and the bonus bid must reflect that assigned acreage. Once title has been verified, bids will be adjusted to reflect the actual acreage and the lease will be issued. Depending upon the number of tracts involved and the complexity of the land holdings, it could take considerable time following the sale before all of the leases are conveyed.

The sale, itself, consists of a public opening and reading of sealed bids received by DNR. The highest bidder on a tract is awarded that lease.

Best Interest Finding Process

To facilitate areawide leasing, in 1996 the Alaska State Legislature passed legislation establishing that a best interest finding developed for a lease sale would be valid for ten years. Previously, a finding terminated after five years. Once a finding is written, DNR can conduct a lease sale in that same area, annually for ten years, without being required to repeat the entire process. Even though the public process for individual sales is different, depending on whether a finding is required or whether the sale is conditioned upon a previous finding, areawide leasing still provides opportunity for public input each year.

A Finding is Required: The planning and execution of an oil and gas lease sale that requires a best interest finding is a lengthy process beginning years before a sale, and it involves the participation of a number of state agencies, with DNR serving as the lead. It also involves federal agencies, industry, local communities, the public and environmental organizations.

DNR researches and analyzes social, economic, environmental, geological and geophysical information about a sale area and develops a preliminary best interest finding. The preliminary finding describes the sale area and discusses the potential effects that may occur as a result of oil and gas exploration, development, production and transportation. It also contains mitigation measures to be imposed as plans of operation permit terms designed to reduce or eliminate these effects. The preliminary finding is published approximately nine months before the sale and is followed by a public comment period of at least 60 days. During the public comment period, DNR may conduct workshops or hold public meetings in one or more of the affected communities. Local municipalities may also conduct hearings, which the Commissioner of DNR shall attend. Comments received during the comment period help in developing a final finding that includes a decision as to whether or not the sale is in state's best interests. DNR releases the final finding and decision at least 90 days before a sale.

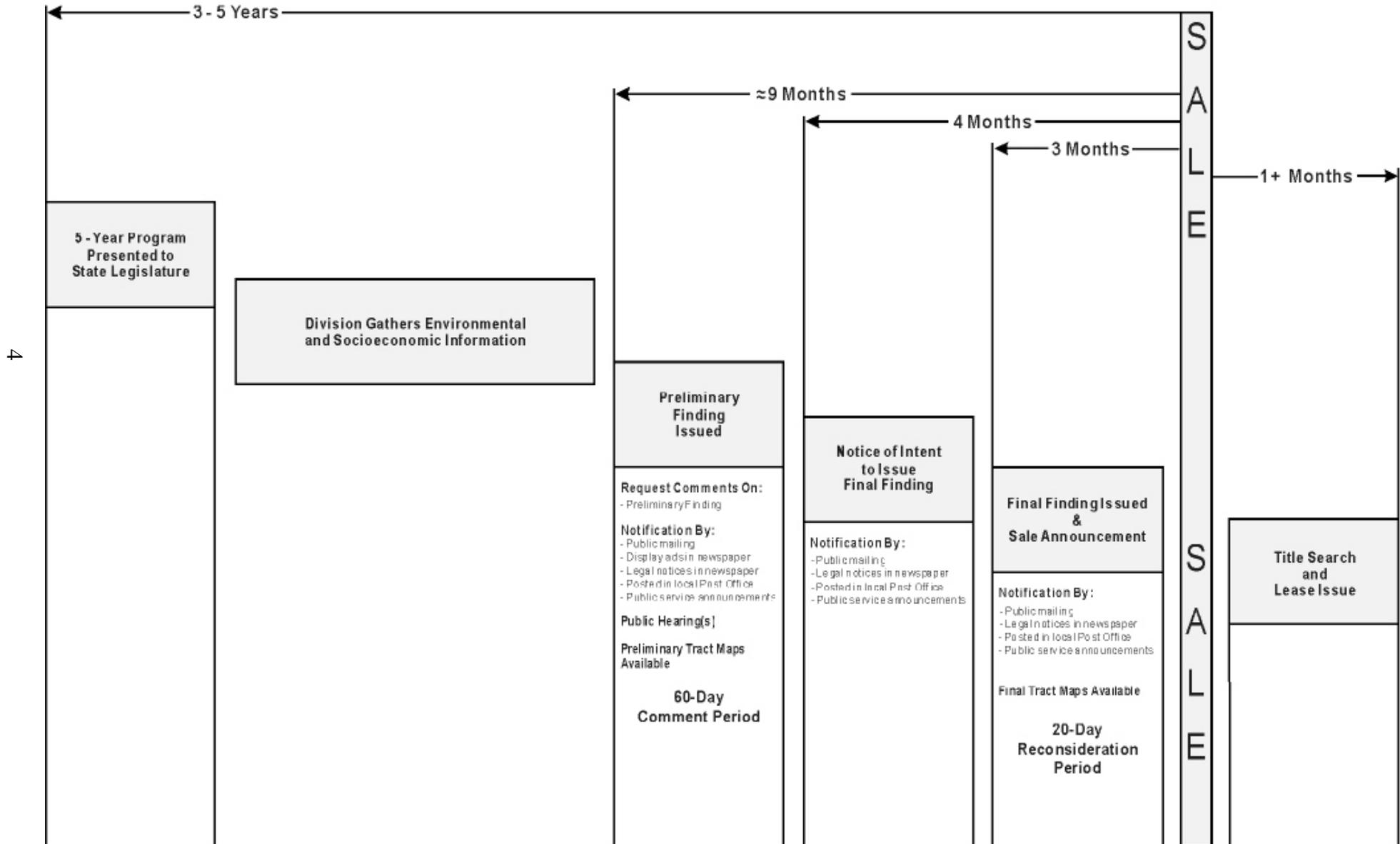
Concurrent with a best interest finding, DNR analyzes a proposed lease sale for consistency with the Alaska Coastal Management Program (ACMP) and the local coastal management plans. The ACMP consistency analysis is published with the preliminary finding; the final ACMP consistency determination is issued with the final finding

A Finding is Not Required: Approximately nine months before a sale, DNR issues a "Call for Comments" requesting any substantial new information that has become available since the most recent finding for that region was completed. Based on the information received, DNR then determines whether or not it is necessary to issue a supplement to the finding. DNR then issues a supplement or a decision that there is no new information requiring a supplement, 90 days prior to a sale.

Mitigation measures from earlier leases will be carried forward to all future sales unless, as a result of new information, DNR deems it necessary to change some of the measures or add additional ones. A new coastal management consistency review will be done whenever the commissioner determines that new information or conditions suggest the proposed lease sale may no longer be consistent with ACMP standards.

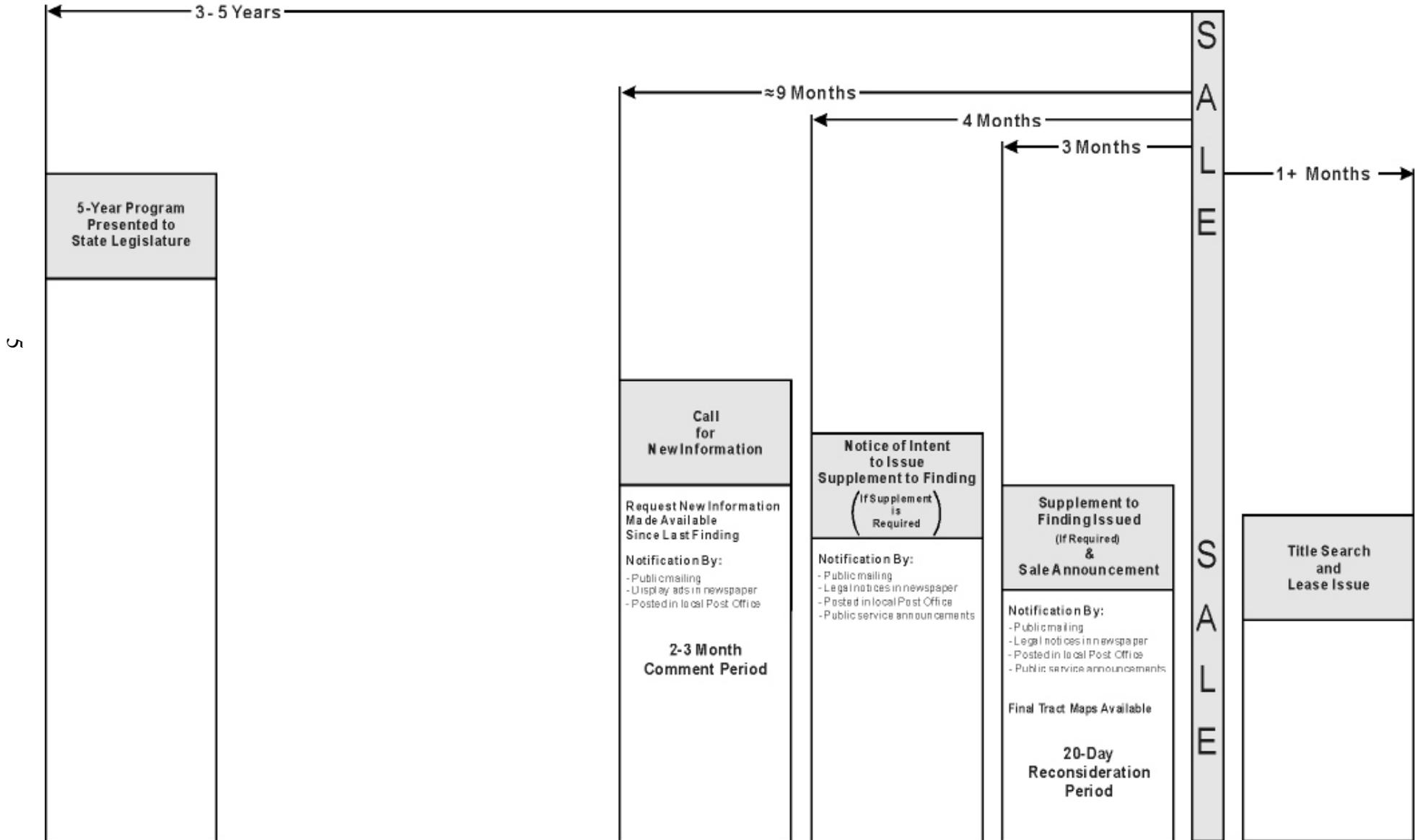
OIL & GAS LEASE SALE PUBLIC NOTIFICATION PROCESS

(When Finding is Required)



OIL & GAS LEASE SALE PUBLIC NOTIFICATION PROCESS

(When Finding is Not Required)



LEASING METHODS AND EXPLORATION INCENTIVE CREDITS

Leasing Methods:

Alaska has several leasing method options designed to encourage oil and gas exploration and maximize state revenue. These methods include combinations of fixed and variable bonus bids, royalty shares and net profit shares. Minimum bids for state leases are generally \$5 to \$10 per acre, but some have been set higher, and others have been reduced to \$0. Fixed royalty rates are generally 12-1/2 percent or 16-2/3 percent, although others have been as high as 20 percent. In addition, Alaska has lease terms of 7 or 10 years.

Exploration Incentive Credits (EIC):

AS 38.05.180(i): This statute authorizes the Commissioner of Natural Resources to establish an EIC system under which a lessee drilling an exploratory well on state-owned land may earn credits based upon the footage drilled and the region in which the well is located. Drilling information is held confidential for two years. If demonstrated by the lessee as necessary, confidentiality may be extended. The statute also provides for an EIC for geophysical work on state land, if that work is performed during the two seasons immediately preceding an announced lease sale and is on land included within the sale area. The geophysical information must then be made public following the sale. Credits are granted by the commissioner for a limited period and may be assigned. A credit may not exceed 50 percent of the cost of the drilling or geophysical work. Credits may be applied against royalty and rental payments to the state, or taxes payable under AS 43.55. Amounts due the Alaska permanent fund (AS 37.13.010) are considered before the application of credits.

Since the state began offering EICs under this program twenty exploratory wells qualifying for credit have been drilled on state leases. Lessees have claimed credits totaling approximately \$51.8 million. Cost data for all twenty EIC wells are summarized in the table on page 13. To date there have been no applications for geophysical EICs.

AS 41.09.010: This second program was adopted in 1994, and allows the Commissioner of Natural Resources to grant an EIC for exploratory drilling, the drilling of a stratigraphic test well and for geophysical work on land in the state, regardless of whether the land is state-owned. This program is designed to encourage oil and gas exploration within remote parts of the state and to provide a means for the state to obtain exploration data from federal lands and certain private lands. As with the first program, credits may be applied against oil and gas royalties and rentals payable to the state, or taxes payable under AS 43.55, or they may be assigned. Data derived from drilling will be kept confidential for two years, but no extensions are allowed. Copies of geophysical data may be shown to interested parties by the state but may not be transferred to third parties. Credits may be as high as 50 percent of eligible costs if performed on state land, and as high as 25 percent of eligible costs if performed on private or federal land. A credit may not exceed \$5 million per eligible project, and the total of all credits issued under this program may not exceed \$30 million. Drilling credits are based upon the footage drilled. All activity qualifying for this EIC must be completed by July 1, 2004.

To date, no EICs have been granted under this program.

EXPLORATION INCENTIVE CREDITS

Report Month: December 1998

ADL	WELL	COMPANY	DATE CERTIFIED	AMOUNT
343109	G-2 Well	Exxon	10/05/83	\$6,197,625.00
		Sohio Alaska Petro.	12/27/83	4,152,408.75
		BPAE	10/05/83	2,045,216.25
344010	Leffingwell	ARCO	10/02/84	3,706,000.00
		Union	10/02/84	3,706,000.00
344033	J-1 Well	Exxon	10/31/84	5,119,500.00
355005	Long Island Well	Exxon	11/14/84	1,367,738.00
		Sohio Alaska Petro.	11/14/84	1,378,076.00
345130	Totek Hills	ARCO Alaska	08/02/85	715,530.81
355037	Colville Delta #1	Texaco Inc.	07/09/86 (1)	467,723.00
		Amerada Hess	07/08/86 (2)	730,152.00
		Diamond Shamrock (A)	07/08/86 (3)	82,274.00
		Rosewood Resources	07/08/86 (4)	10,404.00
		Hunt Petroleum Co.	07/08/86 (5)	9,214.00
		BP Alaska Explor. (B)	02/31/87 (6)	390,830.00
		Mobil (A)	02/05/87 (7)	314,679.00
		Texaco Inc, (C)	03/31/87	314,679.00
344176	Gyr #1	Conoco	11/15/90 (8)	732,804.62
		Amerada Hess	11/15/90 (9)	732,804.63
		ARCO Alaska, Inc.	11/15/90 (9)	699,302.43
355021	NW Milne #1	Conoco	07/10/92 (10)	1,371,691.42
		Conoco	02/09/93	660,321.00
375044	Sequoia #1	Petrofina	07/10/92 (11)	227,594.08
		Conoco	07/10/92 (10)	275,521.32
		Petrofina	02/09/93	19,963.24
		Conoco	02/09/93	16,333.56
375076	Cirque #2	ARCO Alaska, Inc.	02/09/93 (12)	845,018.43
375108	Tarn #1	ARCO Alaska, Inc.	02/09/93 (13)	727,939.95
355036	Kalubik #1	ARCO Alaska, Inc.	02/09/93 (14)	2,599,602.13
		ARCO Alaska Inc. (D)	03/04/93	250,822.50
		ARCO Alaska Inc. (E)	04/22/93	11,799.91
372104	Fiord #1	ARCO Alaska Inc. (F)	02/09/93 (15)	1,811,218.84
		ARCO Alaska Inc.	03/04/93	191,018.62
372006	Tulaga #1	ARCO Alaska Inc.	03/25/93	1,635,000.00
355011	Jones Island #1	ARCO Alaska Inc.	07/12/93	2,160,000.00

ADL	WELL	COMPANY	DATE CERTIFIED	AMOUNT
		ARCO Alaska Inc. (G)	07/20/93	2,160,000.00
375133	Cascade Well #1	BP Explor. (Ak) Inc	04/04/94 (16)	893,245.73
375061	Yukon Gold #1	BP Explor. (AK) Inc (H)	08/08/94 (17)	3,312,689.72
		Union Oil Co. of Cal (H)	08/23/94 (18)	487,240.46
GRAND TOTAL				\$51,813,093.45

- (A) Diamond Shamrock assigned \$432,511 of EIC to Mobil Oil Corp. effective 2/5/87
- (B) Union Texas assigned \$475,631 of EIC to BP Exploration effective 2/3/87
- (C) Placid Oil assigned \$314,679 to Texaco Inc. effective 3/31/87
- (D) Union Texas assigned \$250,822.50 of EIC to ARO Alaska Inc. effective 3/4/93
- (E) Union Texas assigned \$11,779.91 of EIC to ARO Alaska Inc. effective 4/22/93
- (F) Union Texas assigned \$191,018.62 of EIC to ARO Alaska Inc. effective 3/4/93
- (G) Union Texas assigned entire EIC to ARO Alaska Inc. effective 7/20/93
- (H) BP Exploration (Alaska) Inc. assigned \$551,894.11 of EIC to UNOCAL effective 8/23/94

- (1) Texaco's EIC balanced reduced in a Commissioner's decision
- (2) Amerada's EIC balanced reduced in a Commissioner's decision
- (3) Diamond Shamrock's EIC balanced reduced in a Commissioner's decision
- (4) Rosewood's EIC balanced reduced in a Commissioner's decision
- (5) Hunt's EIC balanced reduced in a Commissioner's decision
- (6) BP Alaska's EIC balanced reduced in a Commissioner's decision
- (7) Mobil's EIC balanced reduced in a Commissioner's decision
- (8) Conoco's EIC balance reduced by an EIC audit.
- (9) ARCO and Amerada's EIC balances reduced by an EIC audit.
- (10) Conoco's EIC balance reduced by an EIC audit
- (11) \$125,190.33 of EIC expired for Petrofina on March 31, 1996
- (12) ARCO's EIC balance reduced by an EIC audit
- (13) ARCO's EIC balance reduced by an EIC audit
- (14) ARCO's EIC balance reduced by an EIC audit
- (15) ARCO's EIC balance reduced by an EIC audit
- (16) BP's EIC balance reduced by an EIC audit
- (17) BP's EIC balance reduced by an EIC audit
- (18) Union's EIC balanced reduced by an EIC audit

Source: Alaska Department of Natural Resources, Division of Oil and Gas

QUALIFYING TO APPLY FOR, OBTAIN, OR TRANSFER AN INTEREST, PERMIT OR LEASE RELATING TO OIL AND GAS IN ALASKA

Who Must File

Every individual, association or partnership, corporation, or person authorized to act on behalf of another party must qualify with the Division of Oil and Gas prior to bidding for lease tracts. Qualification must also be obtained prior to applying for, obtaining, or transferring interest in a permit or lease issued under AS 38.05.135 - 38.05.184.

Where to File

Address any required information or inquiries regarding qualifications to State of Alaska, Department of Natural Resources, Division of Oil and Gas, 3601 C Street, Suite 1380, Anchorage, Alaska 99503-5948. Hand-carried material should be delivered to 3601 "C" Street in Anchorage, Suite 1398 (13th floor of the Frontier Building).

How to File

The following is a list of the information and documents required when qualifying under 11 AAC 82.200 - 11 AAC 82.205. Information and documents that have been filed previously and are still current may be sufficient to qualify individuals or other entities.

A. Individuals

Individuals must submit a signed, dated statement that includes the applicant's name, address, telephone number, preferably notarized, attesting that:

The individual has reached the age of majority (in Alaska the age of majority is 18 years, except for those who are emancipated earlier by marriage or by court order).

Forms may be obtained from the division upon request or a statement including the necessary information may be composed and submitted by an individual.

Any legal representative, guardian, or trustee for an individual must submit a certified copy of the court order authorizing the representative to act in that capacity and to fulfill, on behalf of the individual, all obligations arising under the lease or permit. The representative must also submit a signed statement as to the age of the individual and themselves (11 AAC 82.205(a)(2)).

Agents for an individual must submit an original or certified copy of a notarized power of attorney instrument authorizing the agent to act on behalf of the individual.

B. Corporations

Corporations must submit:

- 1) the current address of the corporation,

- 2) a list of the individuals authorized to act on its behalf with respect to oil and gas leasing or permitting,
- 3) 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 mineral specified in the permit or lease,
- 4) a Certificate of Compliance for those corporations qualified to do business in Alaska,

-or-

- 5) if filing for the first time, either a Certificate of Incorporation from those corporations which have been incorporated in the state of Alaska (also known as “domestic” corporations), or a Certificate of Authority from those corporations which have been incorporated outside the state of Alaska (also known as “foreign” corporations).

These documents may be obtained from:

Alaska Department of Commerce and Economic Development
Division of Banking, Securities and Corporations
Attention: Corporations Section
9th Floor, State Office Building
P. O. Box 110807
Juneau, AK 99811-0907
(907) 465-2530

-or-

Alaska Department of Commerce and Economic Development
Division of Banking, Securities and Corporations
3601 C Street, Suite 724
Anchorage, AK 99503-5986
(907) 269-8140

Inquiries about incorporating in the state of Alaska, or qualifying as a foreign corporation to do business in the state of Alaska should be addressed to personnel at either of the above addresses.

C. Unincorporated Associations

Unincorporated Associations must submit

- 1) a statement describing the business relationships between members of the association or partnership,
- 2) a statement of qualifications for each member of the association or partnership (outlined in Section A),

-and/or-

if some or all of the members are incorporated entities, all information required for corporations (described in Section B) must also be submitted, and

- 3) in the case of an agent acting on behalf of an individual, an original or certified copy of a notarized power of attorney defining the agent's authority to sign with respect to the mineral specified in the permit or lease on behalf of the partnership or association.

If still current, material previously filed with the department satisfying all or part of the requirements of this section may be incorporated in an application by appropriate reference together with a statement as to any material changes or amendments.

Sources

11 AAC 82.200
11 AAC 82.205
AS 38.05.020
AS 38.05.145(a)

Further Information

Should you have any further questions regarding qualifying for Alaska oil and gas leases, please contact Alaska Division of Oil and Gas, 3601 C Street, Suite 1380, Anchorage, Alaska 99503-5948. Phone number (907)269-8816.

**STATE OF ALASKA
FIVE-YEAR OIL AND GAS LEASING PROGRAM
1999 TO 2003**

1999 Sales

North Slope Areawide 1999	February
*Cook Inlet Areawide 1999	April
*Beaufort Sea Areawide 1999	October

2000 Sales

North Slope Areawide 2000	February
Beaufort Sea Areawide 2000	May
Cook Inlet Areawide 2000	August

2001 Sales

North Slope Areawide 2001	February
*NS Foothills Areawide 2001	April
Beaufort Sea Areawide 2001	May
Cook Inlet Areawide 2001	August

2002 Sales

North Slope Areawide 2002	February
Beaufort Sea Areawide 2002	May
Cook Inlet Areawide 2002	August

2003 Sales

North Slope Areawide 2003	February
Beaufort Sea Areawide 2003	May
Cook Inlet Areawide 2003	August

* Requires a Best Interest Finding

The sales scheduled for 2002 and 2003 are new to the Five-Year Oil and Gas Leasing Program. All other sales were proposed in the 1997 Five-Year Program. DNR has announced its decision to proceed with two sales – North Slope Areawide 1999 and Cook Inlet Areawide 1999. As for the rest of the schedule, if the decision is to proceed with a sale, a Sale Announcement, including the sale terms, bidding method, tract map, and mitigation measures will be issued 90 days prior to that sale. If a best interest finding or a supplement to a previous finding is required, it will be released at the same time as the Sale Announcement.

ALASKA OIL AND GAS LEASING PROGRAM



ALASKA
DEPARTMENT OF
NATURAL RESOURCES
DIVISION OF OIL AND GAS
 KENNETH A. BOYD, DIRECTOR
 JANUARY 1999

North Slope Sales

	Areawide 1999	Feb 1999
	Areawide 2000	Feb 2000
	Areawide 2001	Feb 2001
	Foothills Areawide 2001	May 2001
	Areawide 2002	Feb 2002
	Areawide 2003	Feb 2003

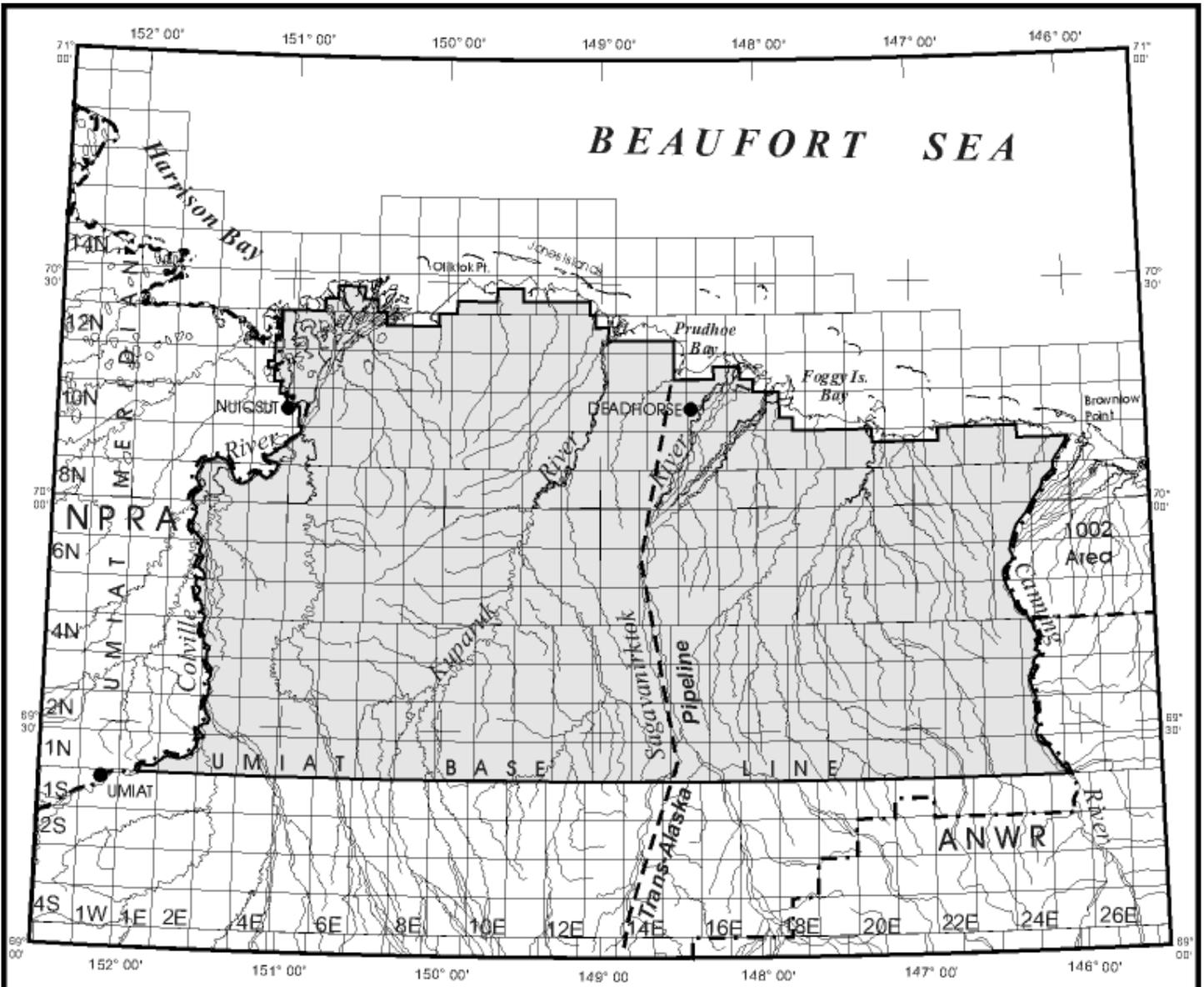
Beaufort Sea Sales

	Areawide 1999	Oct 1999
	Areawide 2000	May 2000
	Areawide 2001	May 2001
	Areawide 2002	May 2002
	Areawide 2003	May 2003

Cook Inlet Sales

	Areawide 1999	Apr 1999
	Areawide 2000	Aug 2000
	Areawide 2001	Aug 2001
	Areawide 2002	Aug 2002
	Areawide 2003	Aug 2003

0 100 200 MILES
 Base Map: Transposed from AK, DNR, LRS, data. Albers Equal Area Projection. Redrawn by M. Fritchard & O.D. Smith in CorelDraw.



Proposed Sale Areas



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

PROPOSED OIL AND GAS LEASE SALES

NORTH SLOPE AREAWIDE 1999, 2000, 2001, 2002, 2003

SCALE 1:1,500,000 ONE INCH = 24 MILES APPROX.

DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S. & M.P.	DATE APPROVED: 01/04/99 <small>Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00</small>
LEASE SALES MANAGER JAMES HANSEN	CHECKED BY:	

NOTE: NO DECISION HAS YET BEEN MADE ON WHETHER THE STATE WILL HOLD THE LEASE SALES SCHEDULED BEYOND 1999. THAT DECISION WILL BE MADE 3 MONTHS BEFORE EACH SALE.

North Slope Areawide Lease Sales:	Areawide 1999	February 1999
	Areawide 2000	February 2000
	Areawide 2001	February 2001
	Areawide 2002	February 2002
	Areawide 2003	February 2003

Description of Sale Area: These five proposed areawide sales consist of all unleased, state-owned lands lying between the National Petroleum Reserve-Alaska (NPRA) and the Arctic National Wildlife Refuge (ANWR), and from the Beaufort Sea in the north to the Umiat Meridian Baseline in the south. The proposed area contains as much as 5,100,000 acres and is divided into 1225 tracts. However, the actual number of tracts available for leasing will not be known until 90 days before a sale. The sale area also includes unleased lands within the area of the 1991 settlement agreement between the Arctic Slope Regional Corporation (ASRC) and the state of Alaska. As a result of this agreement, a portion of the subsurface estate along the Colville River is owned jointly by the state and ASRC.

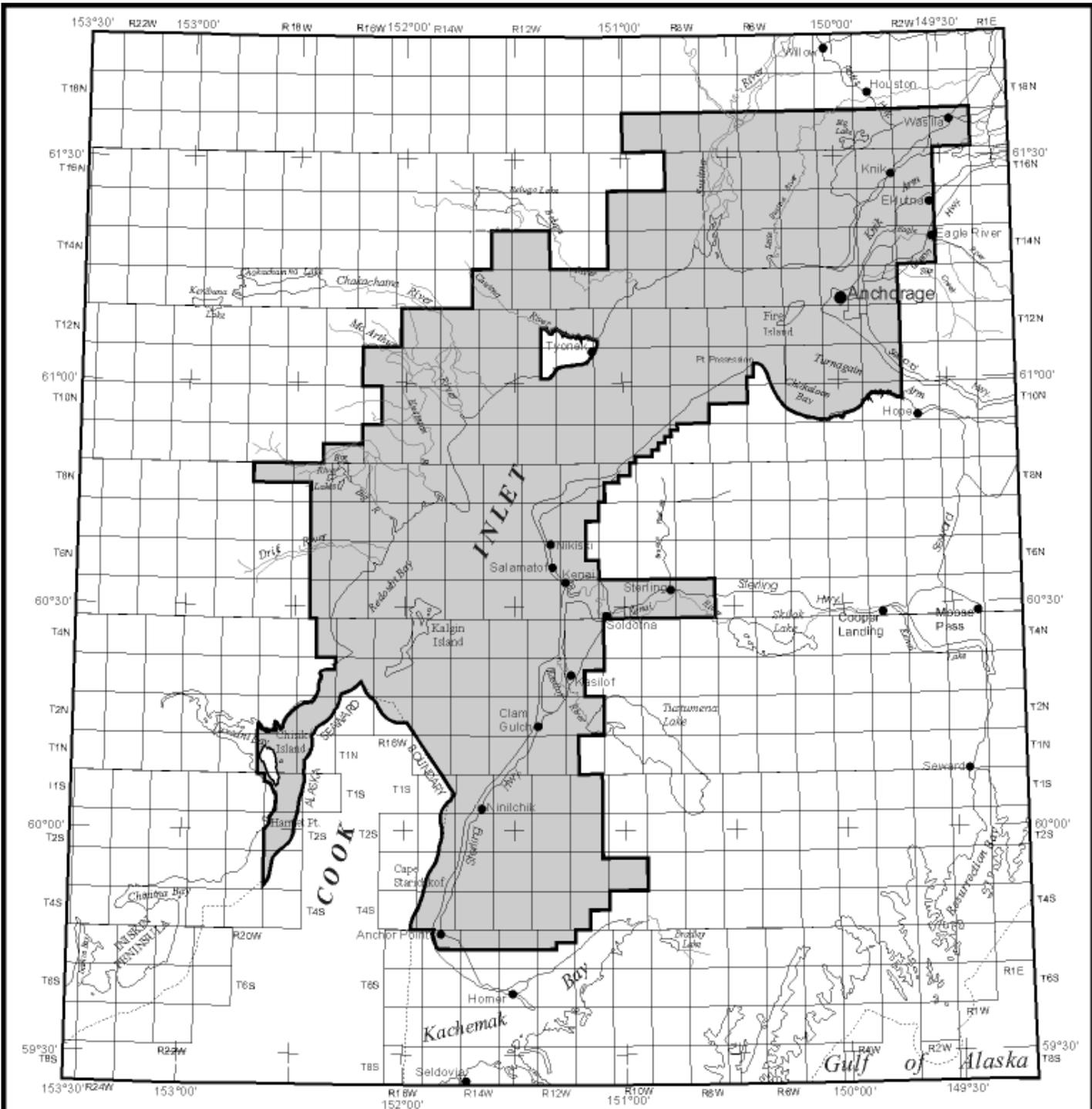
Hydrocarbon Potential: Hydrocarbon potential in the area is considered moderate to high.

Other Resource Issues: The proposed sale area supports a variety of wildlife. Caribou from the Central Arctic Herd and the Teshekpuk Lake Herd utilize parts of the region. Grizzly bears and moose are found along the Colville and Itkillik rivers. Polar bear dens have been documented in the Colville River Delta. Spotted seals haul out on sand bars in the Colville River Delta. Arctic fox, wolverine, and wolves also inhabit the area. Millions of birds migrate through or near the area during the summer, stopping to feed or rest on the numerous small tundra ponds typical of the area. The Colville River Delta wetlands provide important staging, nesting, feeding, and molting habitat for many species of birds. Freshwater fish include grayling, burbot, and whitefish. Anadromous fish include arctic char, cisco, whitefish, and salmon. Residents of Nuiqsut and Anaktuvuk Pass use the area for fishing and hunting birds, caribou, and other species.

Community Information: Portions of the proposed sale area lie within the boundaries of the North Slope Borough Coastal Management District. Oil and gas activities in this area of the state’s coastal zone must be consistent with the Alaska Coastal Management Program, which includes the borough’s program. The North Slope Borough has adopted a Comprehensive Plan and Land Management Regulations that may impose restrictions on oil and gas activity in the proposed sale area.

<u>Community</u>	<u>Municipal Classification</u>	<u>Population</u>
North Slope Borough	Home rule borough	7,263
Prudhoe Bay/Deadhorse	Unincorporated	24
Nuiqsut	Second class city	435
Anaktuvuk Pass	Second class city	301

Status of Sales: A decision to proceed with Areawide 1999 was issued on November 17, 1998. As for the other four proposed sales, approximately nine months prior to each, DNR will request substantial new information that has become available since the final finding for the first North Slope areawide sale, completed in March 1998. Should the director determine that, based on new information, a supplement to the finding is justified, the supplement, along with the director’s decision, will be issued at least 90 days before each proposed lease sale.



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

PROPOSED OIL AND GAS LEASE SALES
COOK INLET AREAWIDE 1999, 2000, 2001, 2002, 2003

SCALE 1:1,425,600 ONE INCH EQUALS 22.5 MILES APPROX

DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S. & M.P.
LEASE SALES MANAGER JAMES HANSEN	DATE APPROVED: 01/04/99 Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

NOTE: NO DECISION HAS YET BEEN MADE ON WHETHER THE STATE WILL HOLD THE LEASE SALES SCHEDULED BEYOND 1999. THAT DECISION WILL BE MADE 3 MONTHS BEFORE EACH SALE.



Cook Inlet Areawide Lease Sales:	Areawide 1999	April 1999
	Areawide 2000	August 2000
	Areawide 2001	August 2001
	Areawide 2002	August 2002
	Areawide 2003	August 2003

Description of Sale Areas: These five areawide sales will include unleased, state-owned uplands located in the Matanuska and Susitna Valleys, the Anchorage Bowl, the western and southern Kenai Peninsula from Pt. Possession to Anchor Pt., as well as on the western shore of Cook Inlet from the Beluga River to Harriet Pt. These sales will also include the tide and submerged lands in the upper Cook Inlet from Kink and Turnagain Arms south to Anchor Pt. and Tuxedni Bay. The area is bounded on the east by the Chugach and Kenai Mountains and on the West by the Aleutian Range. The gross proposed area is about 4,200,000 acres and is divided into 815 tracts. However, the actual number of tracts available for leasing will not be known until 90 days before a sale.

Hydrocarbon Potential: Hydrocarbon potential in the area is considered low to moderate.

Other Resource Issues: The Cook Inlet region is used extensively for commercial, subsistence, and recreational fishing and hunting. Five species of North Pacific salmon are fished commercially throughout Cook Inlet. A number of important anadromous streams are found within the proposed sale area. The area provides important habitat for moose, black and brown bear, caribou, and waterfowl. Marine mammals found near or within the area include beluga whales, Steller sea lions, sea otters and harbor seals. Protected or endangered species known to occur in the sale area include the bald eagle. Under the Endangered Species Act, the Steller sea lion is a threatened species east of 144 degrees longitude and endangered west of 144 degrees longitude.

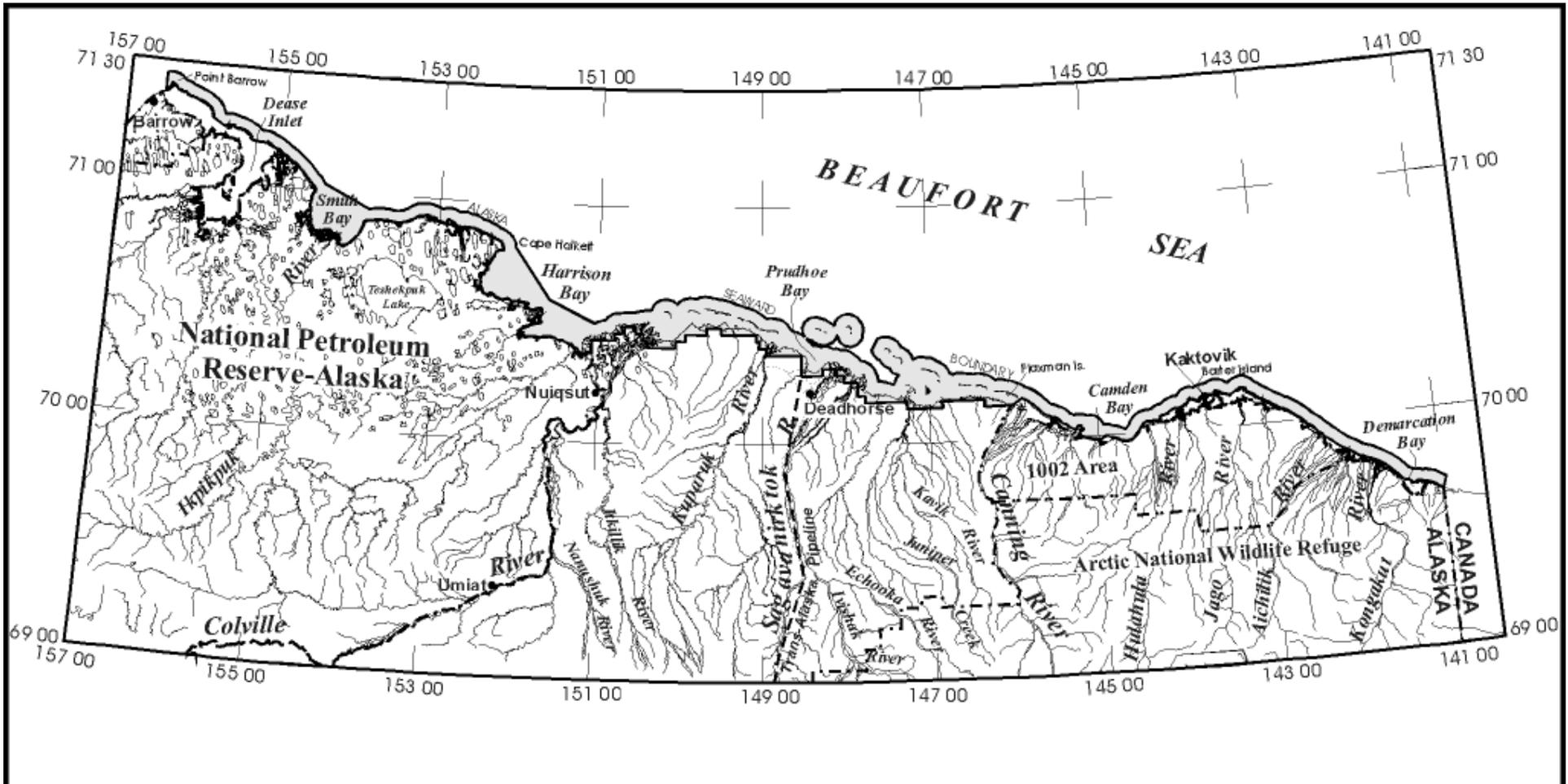
A number of state and federal wildlife refuges, critical habitat areas, recreation areas, and parks exist within or near the proposed sale area. These areas encompass important fish and wildlife habitat, and have significant scenic and recreational value.

Community Information: The proposed sale area is within the boundaries of two boroughs and the Municipality of Anchorage. The Matanuska-Susitna Borough, the Kenai Peninsula Borough, and the Municipality of Anchorage all have approved coastal management plans that are included in the Alaska Coastal Management Program.

<u>Community</u>	<u>Municipal Classification</u>	<u>Population</u>
Municipality of Anchorage	Unified home rule municipality	254,849
Kenai Peninsula Borough	Second class borough	48,098
Matanuska-Susitna Borough	Second class borough	52,448
Kenai	Home rule city	6,971
Palmer	Home rule city	3,946
Homer	First class city	4,126
Seldovia	First class city & Unincorporated	699
Soldotna	First class city	4,092
Wasilla	First class city	4,917
Houston	Second class city	994
Alexander	Unincorporated	38
Anchor Point	Unincorporated	1,157
Big Lake	Unincorporated	2,243

<u>Community</u>	<u>Municipal Classification</u>	<u>Population</u>
Clam Gulch	Unincorporated	100
Cohoe	Unincorporated	598
Eklutna	Unincorporated	425
Happy Valley	Unincorporated	391
Hope	Unincorporated	152
Kalifonsky	Unincorporated	335
Kasilof	Unincorporated	539
Knik	Unincorporated	443
Nanwalek (English Bay)	Unincorporated	177
Ninilchik	Unincorporated	655
Nikiski	Unincorporated	3,023
Nikolaevsk	Unincorporated	474
Port Graham	Unincorporated	186
Ridgeway	Unincorporated	2,364
Salamatof	Unincorporated	1,134
Sterling	Unincorporated	5,705
Tyonek	Unincorporated	151

Status of Sales: A decision to proceed with Areawide 1999 was issued on January 20, 1999. This is the only scheduled Cook Inlet sale that requires a best interest finding. For the other four sales, the director must determine, based on new information that has become available since the finding was completed, whether a supplement to the finding is justified. The supplement, along with the director's decision, would be issued at least 90 days before each proposed lease sale.



Proposed Sale Areas



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
PROPOSED OIL AND GAS LEASE SALES
BEAUFORT SEA AREAWIDE 1999, 2000, 2001, 2002, 2003

SCALE 1:2,000,000 ONE INCH = 32.5 MILES APPROX.



DIRECTOR, DIV OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S. & M.P.	DATE APPROVED: 01/04/99
LEASE SALES MANAGER JAMES HANSEN	CHECKED BY:	Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -149.00 Origin Latitude: 50.00

NOTE: NO DECISION HAS YET BEEN MADE ON WHETHER THE STATE WILL HOLD THESE LEASE SALES. THE STATE IS GATHERING SOCIAL, ENVIRONMENTAL, & ECONOMIC INFORMATION ON WHICH TO BASE A DECISION FOR THE 1999 SALE.

Beaufort Sea Areawide Lease Sales:	Areawide 1999	October 1999
	Areawide 2000	May 2000
	Areawide 2001	May 2001
	Areawide 2002	May 2002
	Areawide 2003	May 2003

Description of Sale Area: The area for these five proposed sales consists of all unleased state-owned tide and submerged lands lying between the Canadian Border and Point Barrow, and some coastal uplands acreage located along the Beaufort Sea between the Staines and Colville Rivers. The gross proposed sale area is in excess of 2,000,000 acres and is divided into 576 tracts. However, the actual tracts available for leasing will not be known until 90 days before each sale. A portion of the subsurface estate offshore of the mouth of the Colville River is owned jointly by the state of Alaska and the Arctic Slope Regional Corporation. The boundary lines between state waters and those within the National Petroleum Reserve – Alaska and the Arctic National Wildlife Refuge have yet to be agreed upon by agencies within the U.S. Department of the Interior. Some tracts may need to be reconfigured.

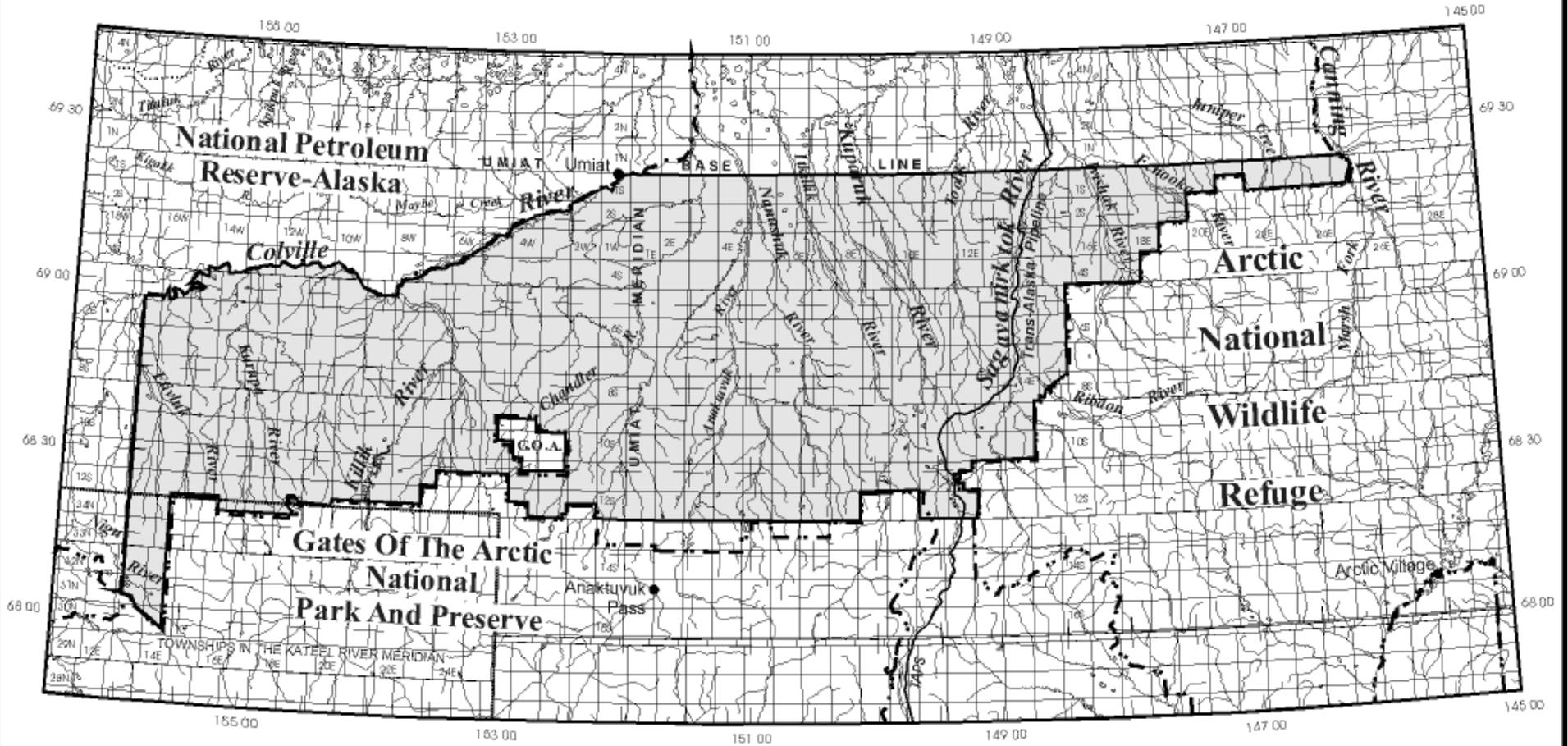
Hydrocarbon Potential: The hydrocarbon potential in the area is considered moderate to high.

Other Resource Issues: The marine environment along the Beaufort Sea coast provides denning habitat for polar bears and pupping habitat for ringed seals. Bowhead whales occur in the proposed sale vicinity during the fall migration, and a bowhead whale feeding area has been documented in the Demarcation Point vicinity. Beluga whales may also be found in the general vicinity during the summer. Numerous species of waterfowl, shorebirds, and seabirds migrate along the Beaufort Sea, and nest, stage, and molt in the lagoonal areas. Nearshore waters provide habitat for many marine and anadromous fish species. Caribou, grizzly bear and moose are found along major rivers. Residents of Barrow, Nuiqsut and Kaktovik use the fish and wildlife resources in the area for subsistence. The fall and spring hunts for bowhead whales are especially important to their subsistence needs.

Community Information: The proposed sale area lies within the boundaries of the North Slope Borough Coastal Management Program. Oil and gas activities in these areas of the state’s coastal zone must be consistent with the Alaska Coastal Management Program which includes the borough’s program. The North Slope Borough has adopted a Comprehensive Plan and Land Management Regulations that may impose restrictions on oil and gas activity in the proposed sale area.

<u>Community</u>	<u>Municipal Classification</u>	<u>Population</u>
North Slope Borough	Home rule borough	7,263
Barrow	First class city	4,276
Atqasuk	Second class city	226
Kaktovik	Second class city	223
Nuiqsut	Second class city	435
Prudhoe Bay/Deadhorse	Unincorporated	24

Status of Sales: Areawide 1999 is the only scheduled Beaufort Sea sale that requires a best interest finding. The preliminary finding was issued December 15, 1998, and the final finding is scheduled for June 1999. For the other four sales, the director must determine, based on new information that has become available since the finding was completed, whether a supplement to the finding is justified. The supplement, along with the director’s decision, would be issued at least 90 days before each proposed lease sale.



Proposed Sale Area



MAP AREA

STATE OF ALASKA
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL AND GAS
PROPOSED OIL AND GAS LEASE SALE
NORTH SLOPE FOOTHILLS AREAWIDE 2001

SCALE 1:2,000,000 ONE INCH = 32.5 MILES APPROX.



DIRECTOR, DIV. OF OIL & GAS

KENNETH A. BOYD

PETROLEUM GEOPHYSICIST

JAMES HANSEN

DRAWN BY:

O.D.S. & M.P.

CHECKED BY:

DATE APPROVED: 01/04/99

Albers Equal-Area Conic Projection
 Based On The Clark 1866 Ellipsoid
 Central Meridian: -152.00
 Origin Latitude: 50.00

NOTE: NO DECISION HAS YET BEEN MADE ON WHETHER THE STATE WILL HOLD THIS LEASE SALE. THE STATE IS GATHERING SOCIAL, ENVIRONMENTAL, & ECONOMIC INFORMATION ON WHICH TO BASE A DECISION.

Description of Sale Area: This sale consists of all unleased, state-owned lands lying between the National Petroleum Reserve-Alaska (NPRA) and the Arctic National Wildlife Refuge (ANWR), south of the Umiat Baseline and north of the Gates of the Arctic National Park and Preserve. The gross proposed sale area is in excess of 7,000,000 acres. The area has not yet been divided into individual tracts. A significant amount of acreage within the sale area has only been selected by the state under the Alaska State Act. This acreage has also been selected by certain ANCSA native village and regional corporations. The ultimate availability of this acreage for leasing by the state will depend on the outcome of the Bureau of Land Management’s adjudication of the competing selections.

Hydrocarbon Potential: Hydrocarbon potential in the area is considered moderate.

Other Resource Issues: Four caribou herds utilize the proposed sale area: the Western Arctic Herd, Central Arctic Herd, the Teshekpuk Lake Herd and the Porcupine Caribou Herd. Caribou use the proposed sale area as winter range and travel along the river drainages and mountain passes to their summer calving areas along the Beaufort Sea coast.

The riparian habitats found within the sale area are important to a variety of species such as moose, grizzly bears, and arctic peregrine falcons. Some of the higher mesa or butte areas are used for lambing and mineral licks by Dall sheep. Major river valleys, where willow stands are most abundant, provide valuable moose habitat. Moose concentrate in these areas throughout the year, with peak use occurring during winter. Grizzly bears are frequently associated with riparian habitats in the area, especially in the spring and fall. Arctic peregrine falcons nest along several of the rivers in the proposed sale area. Residents of Anaktuvuk Pass are the most frequent users of fish and wildlife in the sale area; however, Barrow and Nuiqsut residents occasionally harvest species in the area.

Community Information: Portions of the proposed sale area lie within the boundaries of the North Slope Borough Coastal Management District. Oil and gas activities in this area of the state's coastal zone must be consistent with the Alaska Coastal Management Program, which includes the borough's program. The North Slope Borough has adopted a Comprehensive Plan and Land Management Regulations that may impose restrictions on oil and gas activity in the proposed sale area.

<u>Community</u>	<u>Municipal Classification</u>	<u>Population</u>
North Slope Borough	Home rule borough	7,263
Prudhoe Bay/Deadhorse	Unincorporated	24
Nuiqsut	Second class city	435
Anaktuvuk Pass	Second class city	301

Status of Sale: State agencies are gathering social, environmental, and economic information in order to develop the preliminary best interest finding, which will be available in July 2000. The final finding will be released in January 2001. If it is determined that this sale will best serve the interests of the state, a notice of sale, including the terms of sale, bidding method, tract map and mitigation measures, will be released in January 2001. No other lease sales are currently planned for this area after May 2001.

OIL AND GAS LEASE SALES RESULTS FOR THE PERIOD 1997 THROUGH 1998

Three lease sales were held in 1997 and 1998, in which 940,535 acres were leased for a total bonus bid of over \$80.6 million. Sale 85A-W was an exempt sale held under AS 38.05.180(w), and was first proposed in the 1997 Five-Year Oil and Gas Leasing Program. Approximately 98,011 acres were leased in this sale; the high bonus bids totaled \$828,807. The remaining two sales had been included in previous five-year programs. Sale 86 resulted in 323,835 acres being leased for a total of \$27,985,125 in bonus bids. Approximately 518,689 acres were leased in Sale 87, the state's first areawide lease sale, bringing in \$51,794,173 in bonus bids.

<u>Sale Number</u>	<u>Sale Name</u>	<u>Sale Date</u>
86	Central Beaufort Sea	November 18, 1997
85A-W	Cook Inlet Reoffer	February 24, 1998
87	North Slope Areawide	June 24, 1998

**State of Alaska
Department of Natural
Resources
Division of Oil and Gas**

Sale Results Summary

Date of Sale: February 24,1998

Final Report

Competitive Oil and Gas Lease Sale: Sale 85A-W, Cook Inlet Exempt Reoffer

Bidding Method: Cash Bonus Bid, Fixed Royalty	Tracts Offered: 157	Acreage Offered: 757,878.13	
Minimum Bid: \$5.00 per Acre	Tracts Sold: 24	Acreage Sold: 98,010.77	

Total Number of Valid Bids 35

Total High Bonus Bids: \$828,807.37

Total Exposed (Sum of All Valid \$944,873.71

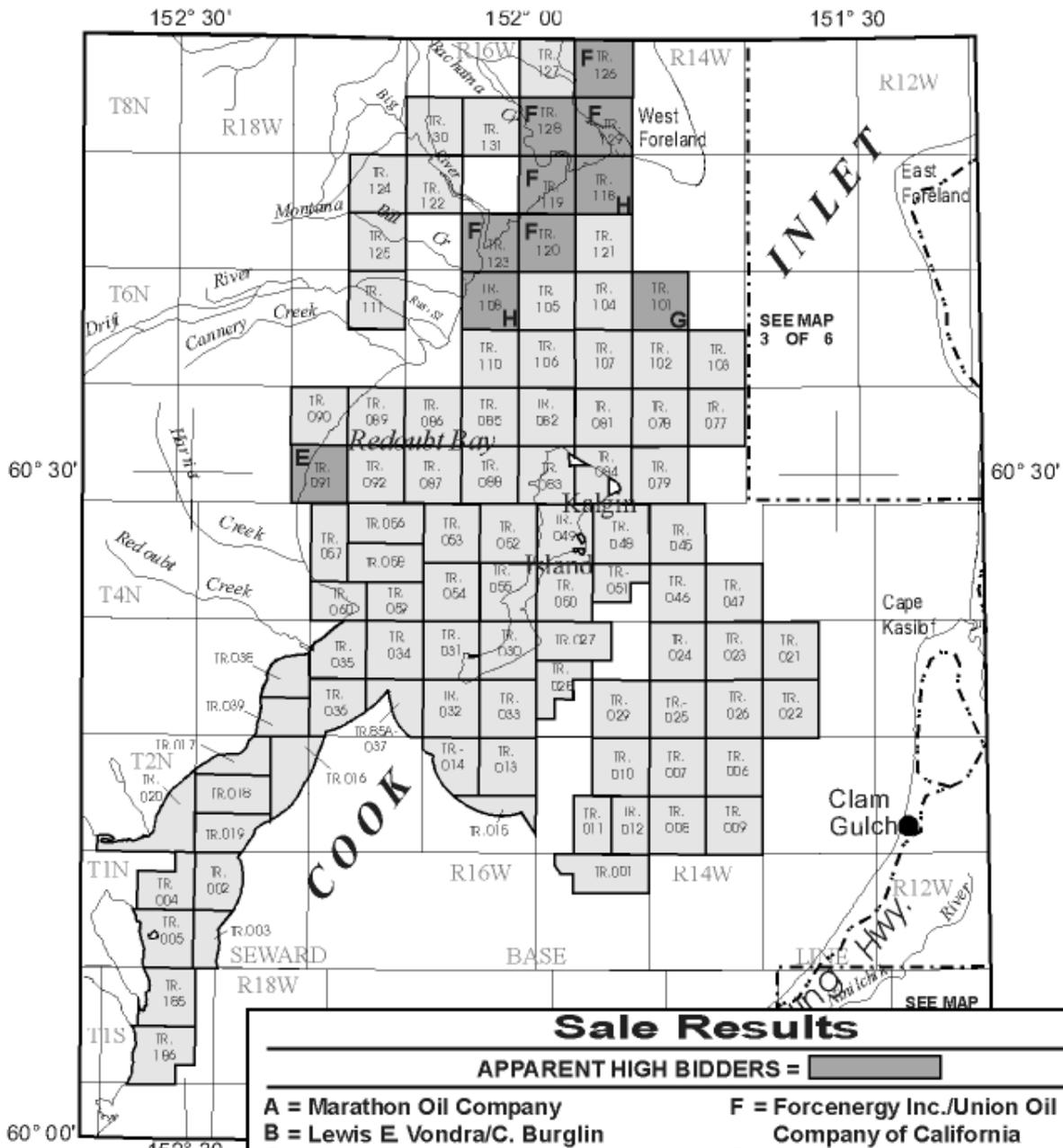
Average High Bonus Bid Per Acre: \$8.46

Highest Bid:	\$62,265.60
Tract Number:	117
Submitted By:	Forcenergy 50 / Unocal 50

Highest Bid/Acre:	\$27.00
Tract Number:	116
Submitted By:	Sexton 75 / Burglin 25

<u>Bidder Company or Group Name</u>	<u>Tracts Bid On</u>	<u>Number of Total of All Bids</u>	<u>Number of Tracts Won</u>	<u>Total of High Bids</u>
Forcenergy 50 / Unocal 50	10	\$449,563.19	9	\$445,639.99
Forcenergy Inc.	3	\$108,874.25	3	\$108,874.25
Marathon Oil Company	1	\$27,069.54	1	\$27,069.54
Monte J. Allen	1	\$28,895.77	1	\$28,895.77
Sexton 75 Burglin 25	4	\$72,674.00	3	\$67,529.00
Vondra 75 Burglin 25	6	\$104,971.48	3	\$54,558.00
Wagner 50 / Allen 50	1	\$42,938.22	1	\$42,938.22
Wagner 50 / Gilbertson 50	9	\$109,887.26	3	\$53,302.60

Two low bids, submitted by Marathon Oil Company on Tracts 40 and 65, and one sole bid, submitted by the bidding group of Michael R. Sexton and Cliff Burglin on Tract 95 were each rejected by the commissioner of DNR. Each of these bids failed to meet the requirements of AS 38.05.860(c) and the instructions to bidders. These require that each bidder submitting a bid for a competitive oil and gas lease to submit a bid deposit of money equal to 20% of the total bonus bid.



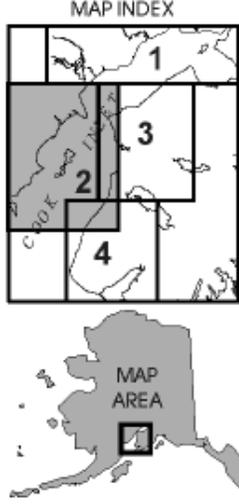
Sale Results	
APPARENT HIGH BIDDERS = 	
A = Marathon Oil Company	F = Forcenergy Inc./Union Oil Company of California
B = Lewis E. Vondra/C. Burglin	G = Richard E. Wagner/Monte J. Allen
C = Richard E. Wagner/Dan R. Gilbertson	H = Forcenergy Inc.
D = Michael R. Sexton/C. Burglin	E = Monte J. Allen

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
OIL AND GAS LEASE SALE 85A-W
COOK INLET REOFFER FINAL SALE AREA MAP

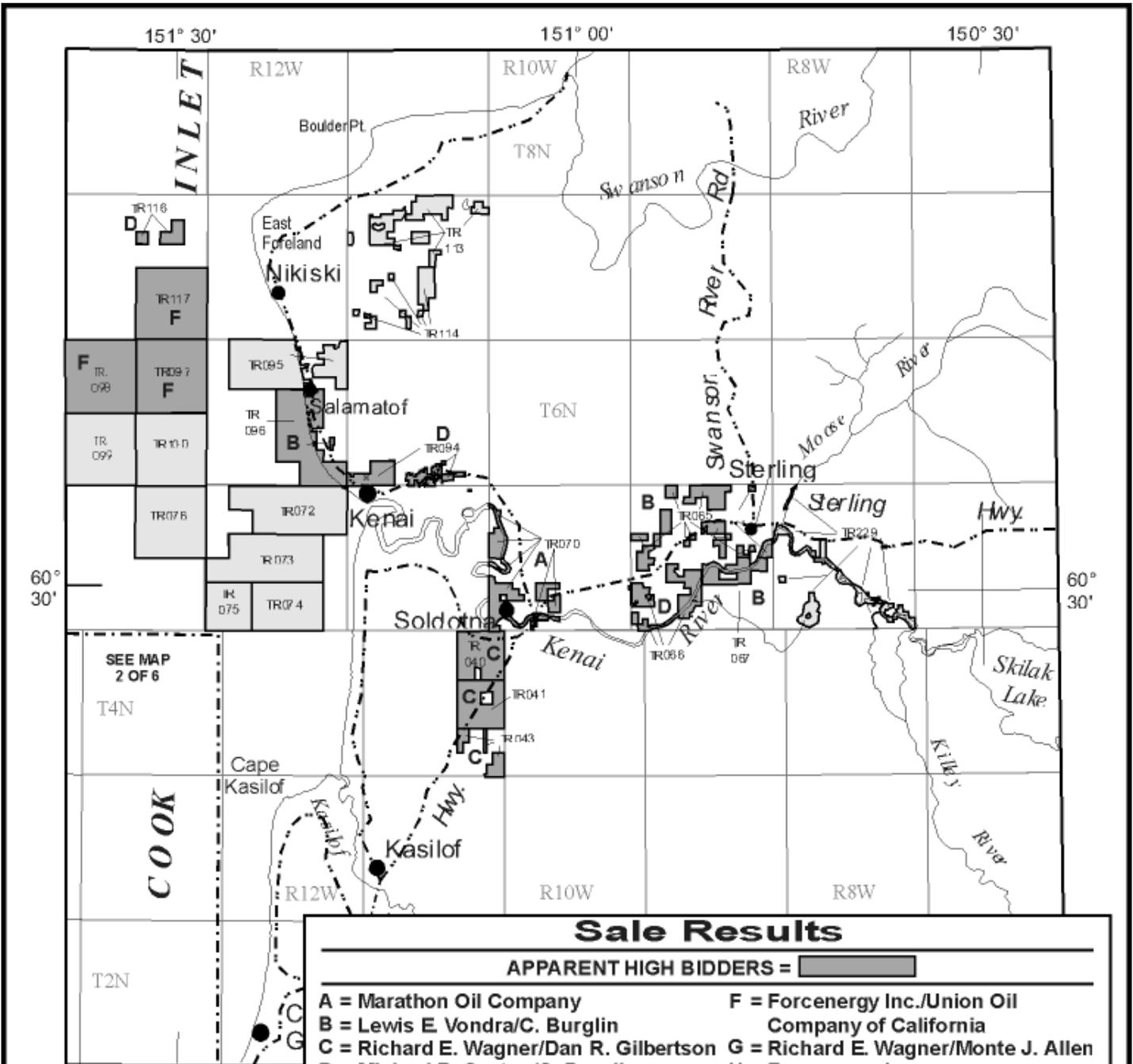
SCALE 1:570,000 ONE INCH EQUALS 9 MILES APPROX
 5 10 15 MILES

DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S.	DATE APPROVED: 2/24/98
PETROLEUM GEOPHYSICIST, JAMES HANSEN	CHECKED BY:	Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

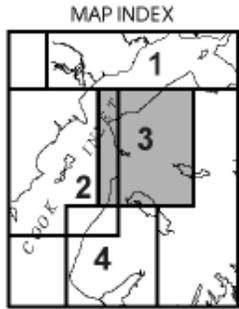
NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907) 269-8806



FINAL SALE AREA MAP NO. 2 OF 4



Sale Results	
APPARENT HIGH BIDDERS = 	
A = Marathon Oil Company	F = Forcenergy Inc./Union Oil Company of California
B = Lewis E. Vondra/C. Burglin	G = Richard E. Wagner/Monte J. Allen
C = Richard E. Wagner/Dan R. Gilbertson	H = Forcenergy Inc.
D = Michael R. Sexton/C. Burglin	
E = Monte J. Allen	



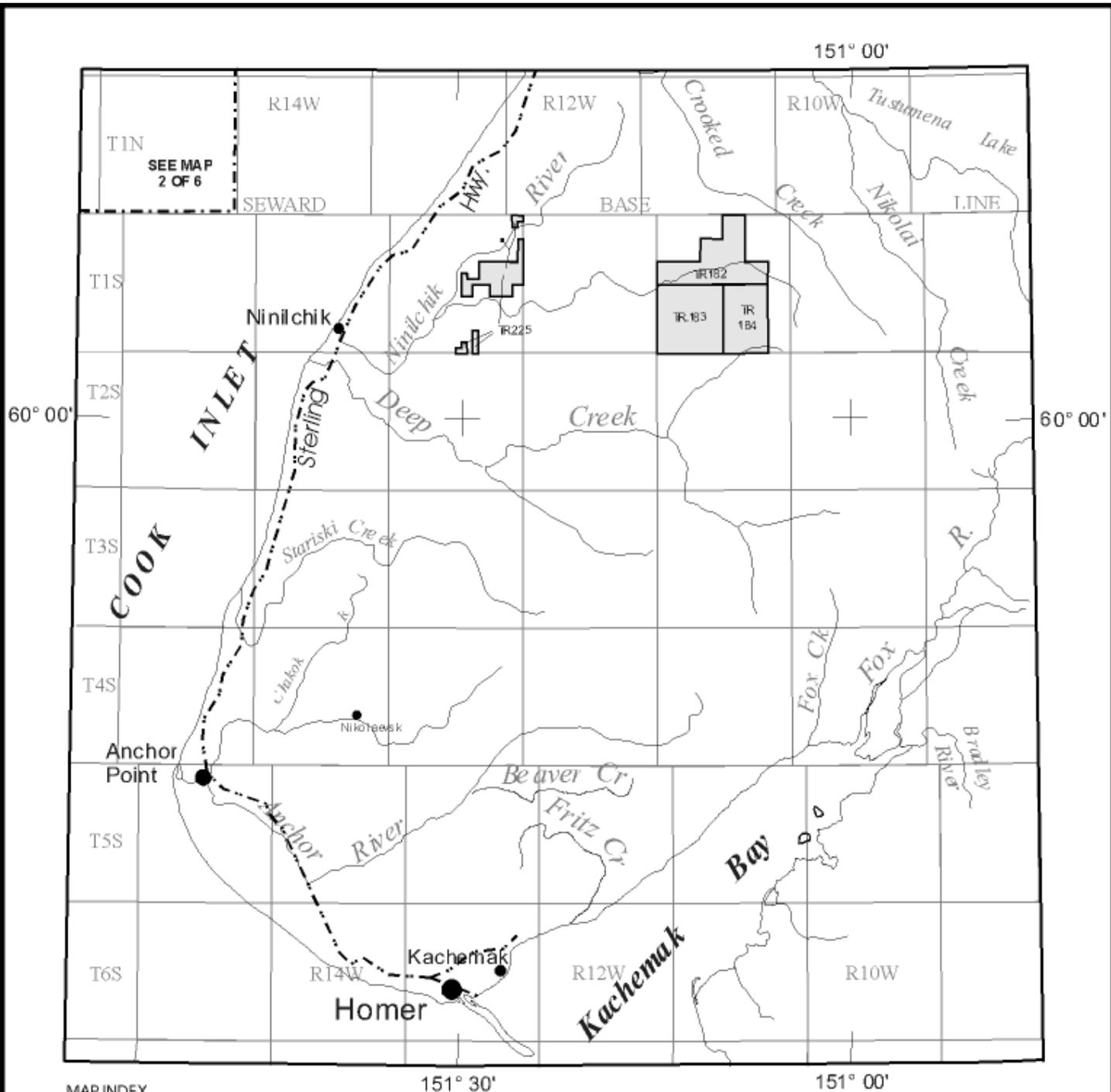
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
OIL AND GAS LEASE SALE 85A-W
COOK INLET REOFFER FINAL SALE AREA MAP

SCALE 1:400,000 ONE INCH EQUALS 6.25 MILES APPROX.

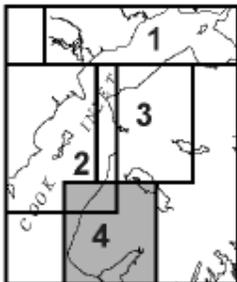
DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S.	DATE APPROVED: 2/24/98
PETROLEUM GEOPHYSICIST, JAMES HANSEN	CHECKED BY:	Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP, BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907)-269-8906

FINAL SALE AREA MAP NO. 3 OF 4



MAP INDEX



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
OIL AND GAS LEASE SALE 85A-W
COOK INLET REOFFER FINAL SALE AREA MAP

SCALE: 1:400,000 ONE INCH EQUALS 6.5 MILES APPROX.

5 0 5 10 15 MILES

DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S.	DATE APPROVED: 2/24/98
PETROLEUM GEOPHYSICIST, JAMES HANSEN	CHECKED BY:	Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP, BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907) 269-8806

FINAL SALE AREA MAP NO. 4 OF 4

**State of Alaska
Department of Natural Resources
Division of Oil and Gas**

Sale Results Summary

Date of Sale: November 18, 1997

Final Report

Competitive Oil and Gas Lease Sale: Sale 86 Central Beaufort Sea

Bidding Method: Cash Bonus Bid, Fixed Royalty	Tracts Offered: 181	Acreage Offered: 365,054.53
Minimum Bid: \$10.00 per Acre	Tracts Sold: 162	Acreage Sold: 323,835.42

Total Number of Valid Bids Received: 303

Highest Bid: \$1,640,628.00
Tract Number: 27
Submitted By: Petrofina Delaware, Incorporated

Total High Bonus Bids: \$27,985,125.24

Total Exposed (Sum of All Bids): \$37,010,457.22

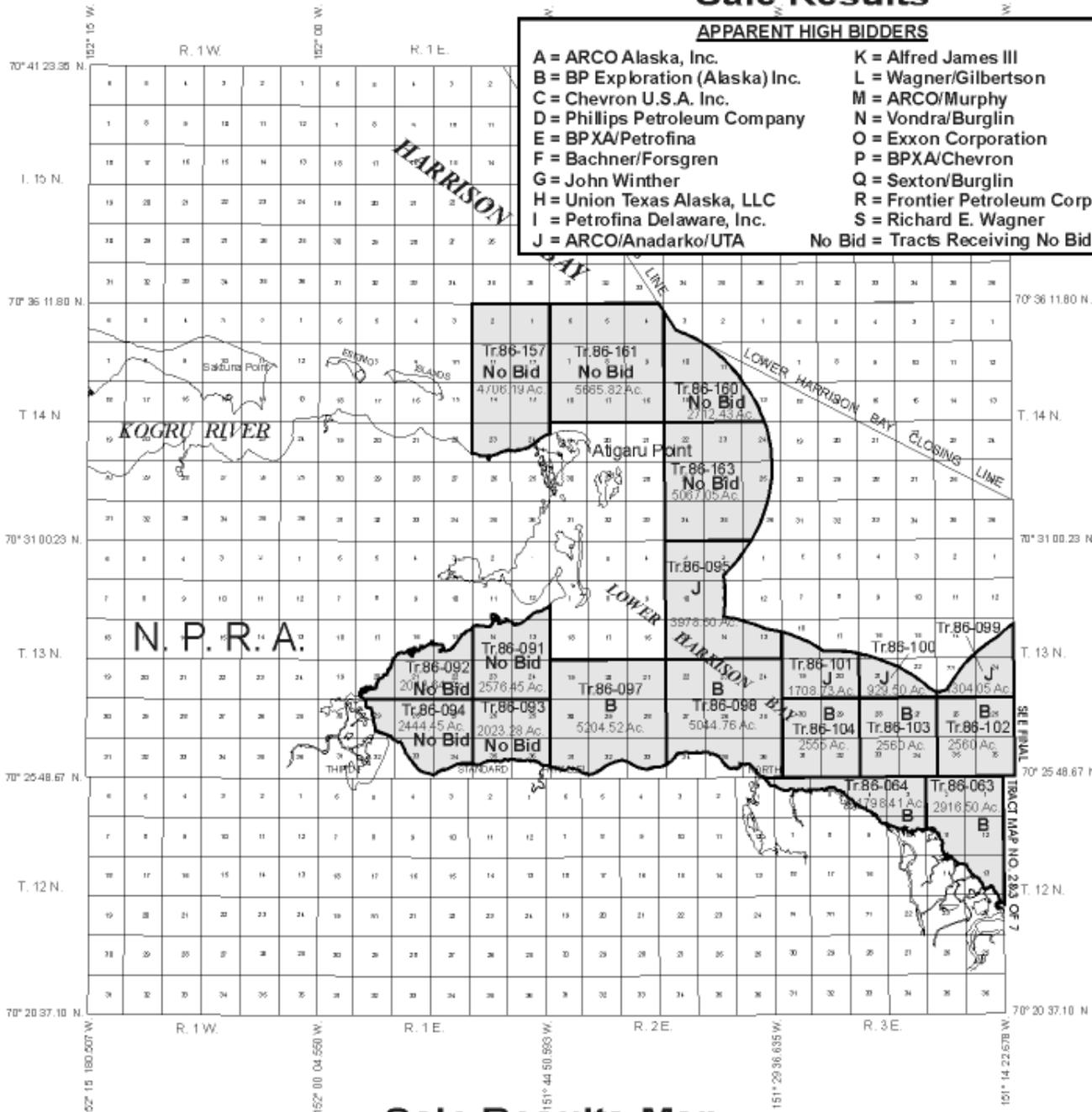
Highest Bid/Acre: \$800.00
Tract Number: 170
Submitted By: Union Texas Alaska, LLC

Average High Bonus Bid Per Acre: \$86.42

<u>Bidder Company or Group Name</u>	<u>Number of Tracts Bid On</u>	<u>Total of All Bids</u>	<u>Number of Tracts Won</u>	<u>Total of High Bids</u>
Alfred James III	1	\$38,212.92	1	\$38,212.92
ARCO Alaska, Inc.	37	\$1,381,061.00	13	\$474,817.00
ARCO/Anadarko[UTA	33	\$1,778,776.00	23	\$1,116,321.00
ARCO/Murphy	37	\$2,977,810.00	12	\$1,202,529.00
Bachner/Forsgren	25	\$697,044.30	0	\$0.00
BP Exploration (Alaska) Inc.	63	\$10,036,503.50	61	\$9,870,249.19
BPXA/Chevron	23	\$6,522,633.60	16	\$3,880,292.12
BPXA/Petrofina	19	\$2,191,093.22	15	\$1,782,881.12
Chevron U.S.A. Inc.	10	\$240,437.42	2	\$51,745.96
Exxon Corporation	6	\$467,817.96	0	\$0.00
Frontier Petroleum Corp.	2	\$93,312.00	0	\$0.00
John Winther	3	\$993,822.02	3	\$993,822.02
Petrofina Delaware, Incorporated	9	\$4,759,250.85	5	\$4,425,648.00
Phillips Petroleum Company	7	\$398,340.00	6	\$374,660.00
Richard E. Wagner	2	\$97,043.95	0	\$0.00
Sexton/Burglin	7	\$120,127.00	0	\$0.00
Union Texas Alaska, LLC	5	\$3,929,296.91	4	\$3,730,426.91
Vondra/Burglin	8	\$157,048.40	0	\$0.00
Wagner/Gilbertson	6	\$130,826.17	1	\$43,520.00

The bid submitted by Michael R. Sexton and Cliff Burglin on Tract 86-048 was rejected. The bid deposit was less than the 20% required for this sale.

TOWNSHIPS 12 TO 15 NORTH, RANGES 1 WEST TO 3 EAST, UMIAT MERIDIAN
Sale Results



APPARENT HIGH BIDDERS

A = ARCO Alaska, Inc.	K = Alfred James III
B = BP Exploration (Alaska) Inc.	L = Wagner/Gilbertson
C = Chevron U.S.A. Inc.	M = ARCO/Murphy
D = Phillips Petroleum Company	N = Vondra/Burglin
E = BPXA/Petrofina	O = Exxon Corporation
F = Bachner/Forsgren	P = BPXA/Chevron
G = John Winther	Q = Sexton/Burglin
H = Union Texas Alaska, LLC	R = Frontier Petroleum Corp.
I = Petrofina Delaware, Inc.	S = Richard E. Wagner
J = ARCO/Anadarko/UTA	No Bid = Tracts Receiving No Bids

Sale Results Map

STATE OF ALASKA
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL AND GAS
OIL AND GAS LEASE SALE 86
Central Beaufort Sea Final Tract Map

SCALE 1:250,000 ONE INCH EQUALS 4 MILES APPROX.

DIRECTOR, DIV. OF OIL & GAS
KENNETH A. BOYD

PETROLEUM GEOPHYSICIST,
JAMES HANSEN

DRAWN BY:
O.D.S.

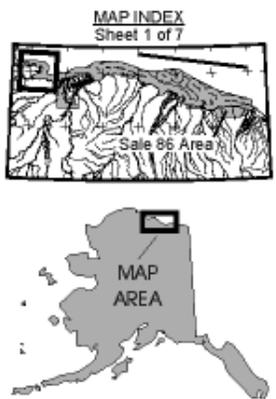
CHECKED BY:

DATE APPROVED: 11/19/97

Albers Equal-Area Conic Projection
 Based On The Clark 1866 Ellipsoid
 Central Meridian: -150.00
 Origin Latitude: 50.00

NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP, BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907) 269-8805

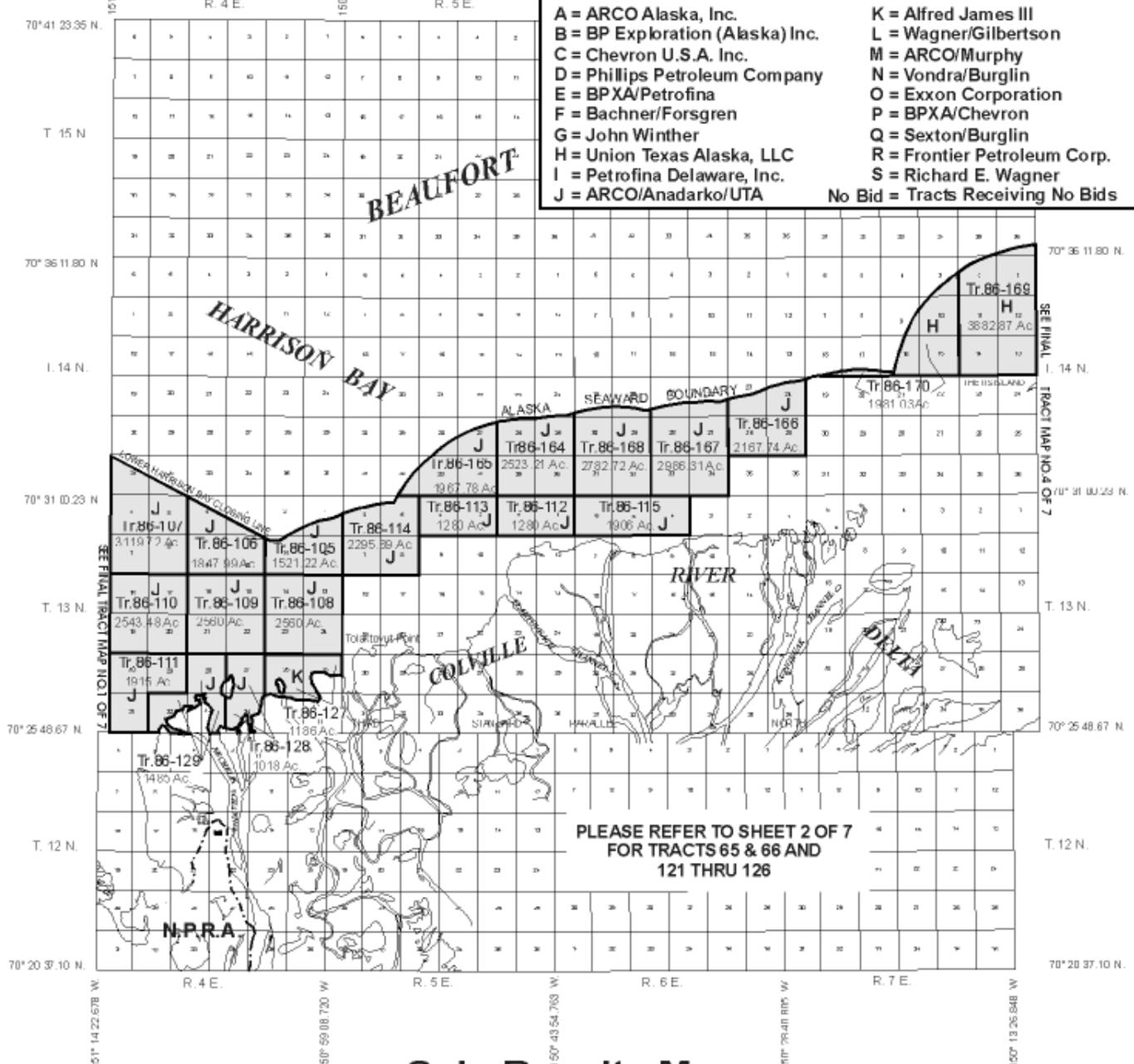
FINAL TRACT MAP NO.1 OF 7



Sale Results

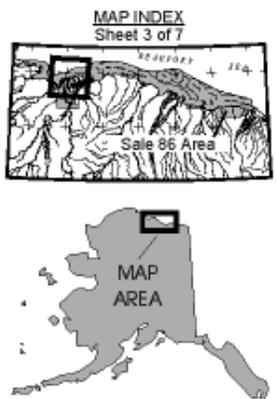
APPARENT HIGH BIDDERS

- | | |
|----------------------------------|-----------------------------------|
| A = ARCO Alaska, Inc. | K = Alfred James III |
| B = BP Exploration (Alaska) Inc. | L = Wagner/Gilbertson |
| C = Chevron U.S.A. Inc. | M = ARCO/Murphy |
| D = Phillips Petroleum Company | N = Vondra/Burglin |
| E = BPXA/Petrofina | O = Exxon Corporation |
| F = Bachner/Forsgren | P = BPXA/Chevron |
| G = John Winther | Q = Sexton/Burglin |
| H = Union Texas Alaska, LLC | R = Frontier Petroleum Corp. |
| I = Petrofina Delaware, Inc. | S = Richard E. Wagner |
| J = ARCO/Anadarko/UTA | No Bid = Tracts Receiving No Bids |



PLEASE REFER TO SHEET 2 OF 7 FOR TRACTS 65 & 66 AND 121 THRU 126

Sale Results Map



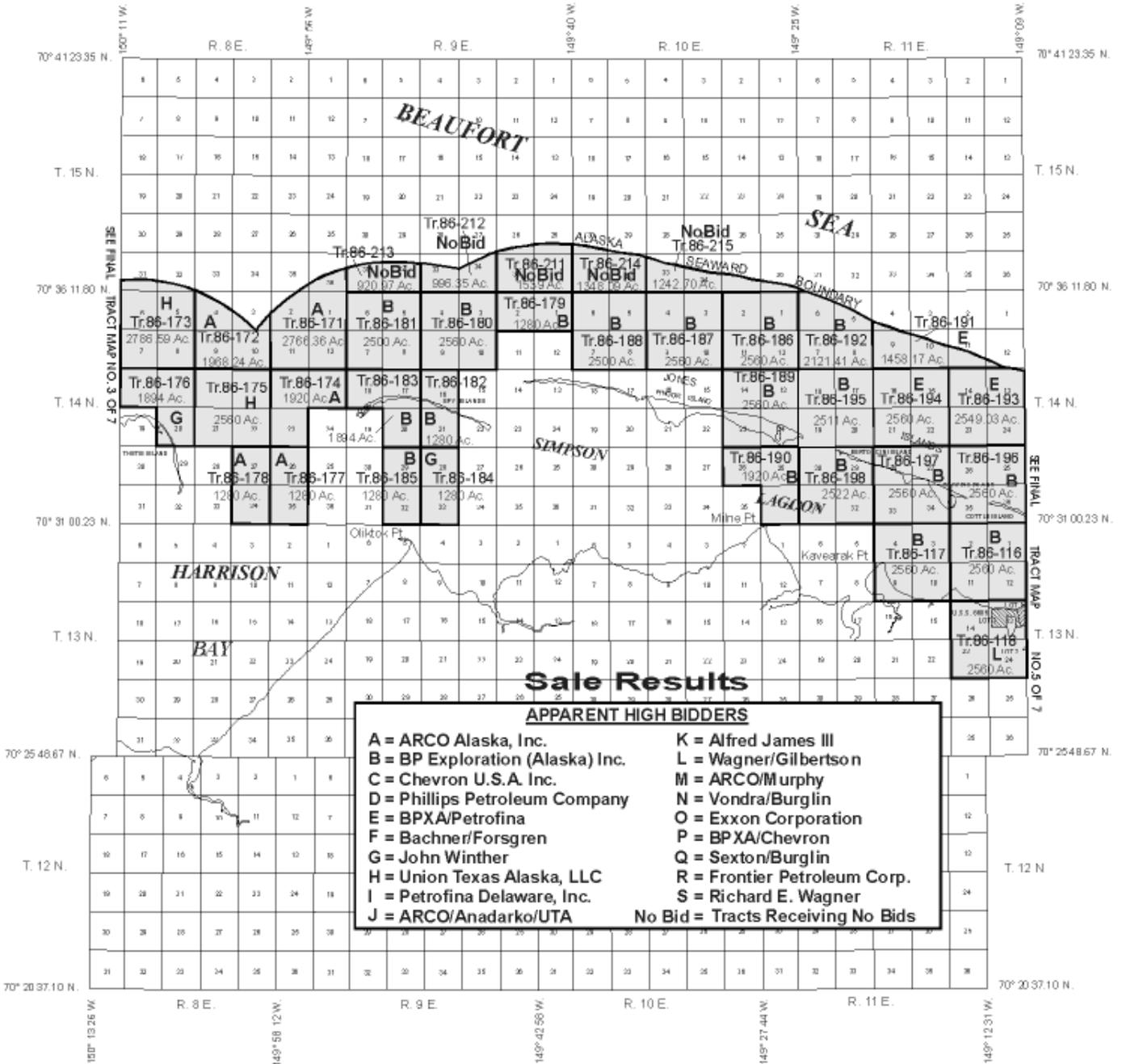
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
OIL AND GAS LEASE SALE 86
Central Beaufort Sea Final Tract Map

SCALE 1:250,000 ONE INCH EQUALS 4 MILES APPROX

DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S.	DATE APPROVED: 11/19/97 Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00
PETROLEUM GEOPHYSICIST, JAMES HANSEN	CHECKED BY:	

NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP, BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907) 269-8805

TOWNSHIPS 12 TO 15 NORTH, RANGES 8 TO 11 EAST, UMIAT MERIDIAN

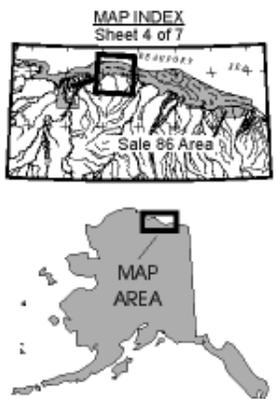


Sale Results

APPARENT HIGH BIDDERS

A = ARCO Alaska, Inc.	K = Alfred James III
B = BP Exploration (Alaska) Inc.	L = Wagner/Gilbertson
C = Chevron U.S.A. Inc.	M = ARCO/Murphy
D = Phillips Petroleum Company	N = Vondra/Burglin
E = BPXA/Petrofina	O = Exxon Corporation
F = Bachner/Forsgren	P = BPXA/Chevron
G = John Winther	Q = Sexton/Burglin
H = Union Texas Alaska, LLC	R = Frontier Petroleum Corp.
I = Petrofina Delaware, Inc.	S = Richard E. Wagner
J = ARCO/Anadarko/UTA	No Bid = Tracts Receiving No Bids

Sale Results Map



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
OIL AND GAS LEASE SALE 86
Central Beaufort Sea Final Tract Map

SCALE 1:250,000 ONE INCH EQUALS 4 MILES APPROX.

5 0 5 10
MILES

DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S.	DATE APPROVED: 11/19/97
PETROLEUM GEOPHYSICIST, JAMES HANSEN	CHECKED BY:	Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

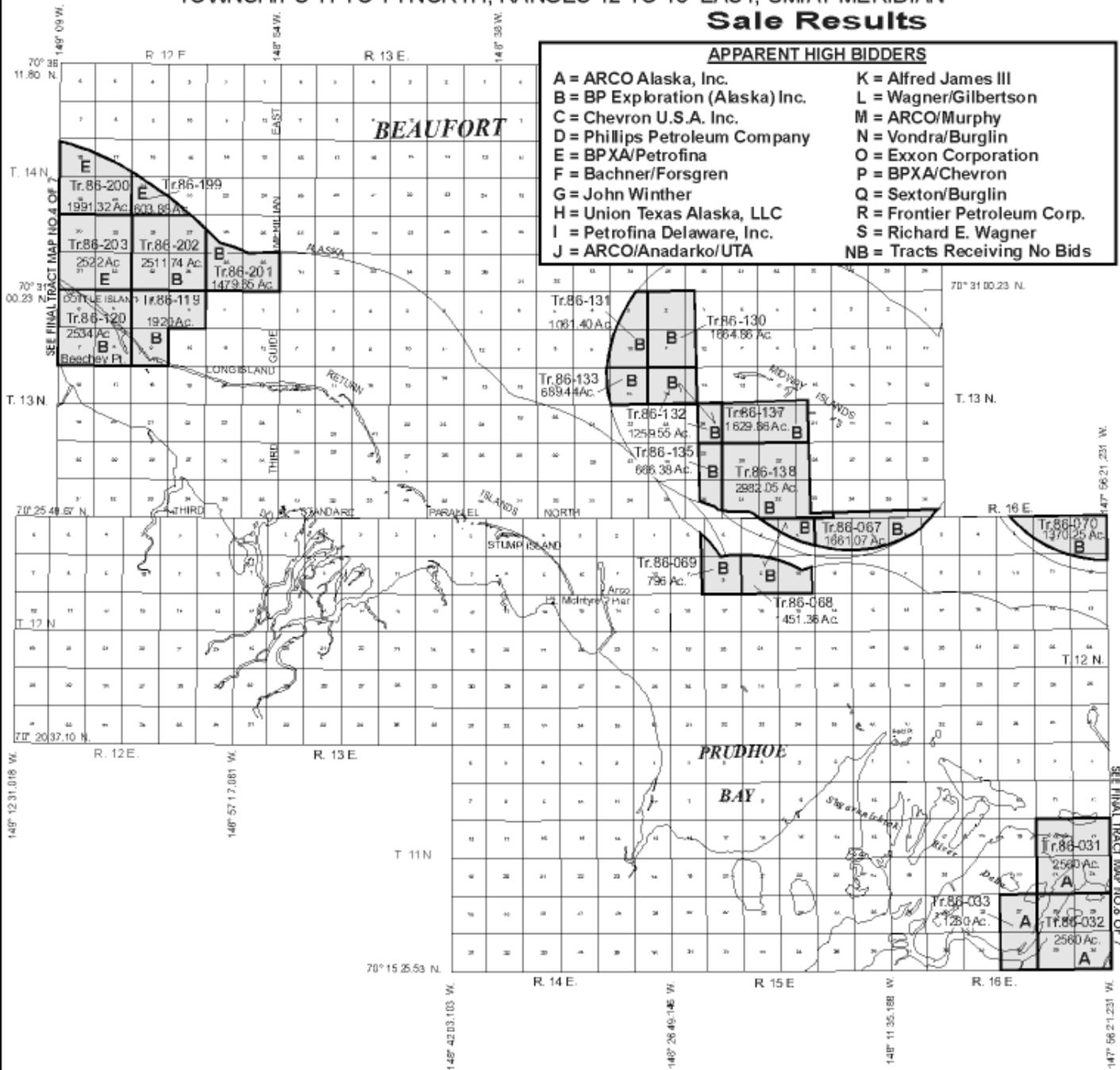
NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP, BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907) 269-8805

FINAL TRACT MAP NO.4 OF 7

Sale Results

APPARENT HIGH BIDDERS

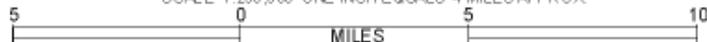
- | | |
|----------------------------------|-------------------------------|
| A = ARCO Alaska, Inc. | K = Alfred James III |
| B = BP Exploration (Alaska) Inc. | L = Wagner/Gilbertson |
| C = Chevron U.S.A. Inc. | M = ARCO/Murphy |
| D = Phillips Petroleum Company | N = Vondra/Burglin |
| E = BPXA/Petrofina | O = Exxon Corporation |
| F = Bachner/Forsgren | P = BPXA/Chevron |
| G = John Winther | Q = Sexton/Burglin |
| H = Union Texas Alaska, LLC | R = Frontier Petroleum Corp. |
| I = Petrofina Delaware, Inc. | S = Richard E. Wagner |
| J = ARCO/Anadarko/UTA | NB = Tracts Receiving No Bids |



Sale Results Map

STATE OF ALASKA
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL AND GAS
 OIL AND GAS LEASE SALE 86
Central Beaufort Sea Final Tract Map

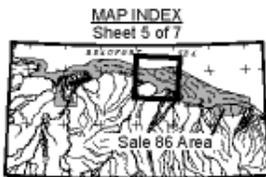
SCALE 1:250,000 ONE INCH EQUALS 4 MILES APPROX



DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S.	DATE APPROVED: 11/19/97
PETROLEUM GEOPHYSICIST, JAMES HANSEN	CHECKED BY:	Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP, BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907) 269-8805

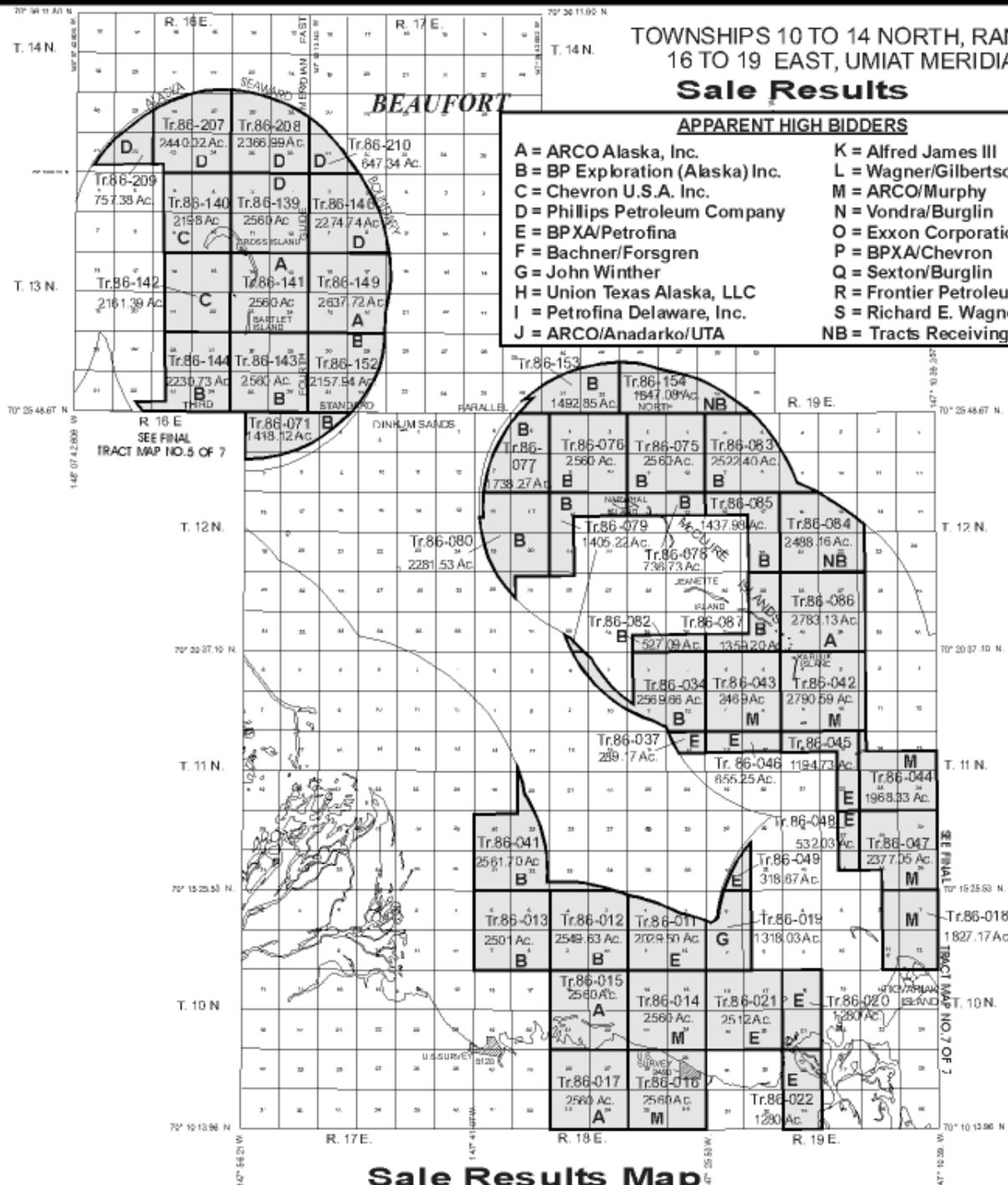
FINAL TRACT MAP NO.5 OF 7



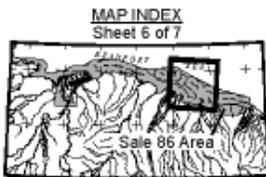
TOWNSHIPS 10 TO 14 NORTH, RANGES 16 TO 19 EAST, UMIAT MERIDIAN
Sale Results

APPARENT HIGH BIDDERS

- | | |
|----------------------------------|-------------------------------|
| A = ARCO Alaska, Inc. | K = Alfred James III |
| B = BP Exploration (Alaska) Inc. | L = Wagner/Gilbertson |
| C = Chevron U.S.A. Inc. | M = ARCO/Murphy |
| D = Phillips Petroleum Company | N = Vondra/Burglin |
| E = BPXA/Petrofina | O = Exxon Corporation |
| F = Bachner/Forsgren | P = BPXA/Chevron |
| G = John Winther | Q = Sexton/Burglin |
| H = Union Texas Alaska, LLC | R = Frontier Petroleum Corp. |
| I = Petrofina Delaware, Inc. | S = Richard E. Wagner |
| J = ARCO/Anadarko/UTA | NB = Tracts Receiving No Bids |



Sale Results Map



STATE OF ALASKA
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL AND GAS
OIL AND GAS LEASE SALE 86
Central Beaufort Sea Final Tract Map

SCALE 1:250,000 ONE INCH EQUALS 4 MILES APPROX.

DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S.	DATE APPROVED: 11/19/97 Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00
PETROLEUM GEOPHYSICIST, JAMES HANSEN	CHECKED BY:	

NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP, BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907) 269-8805

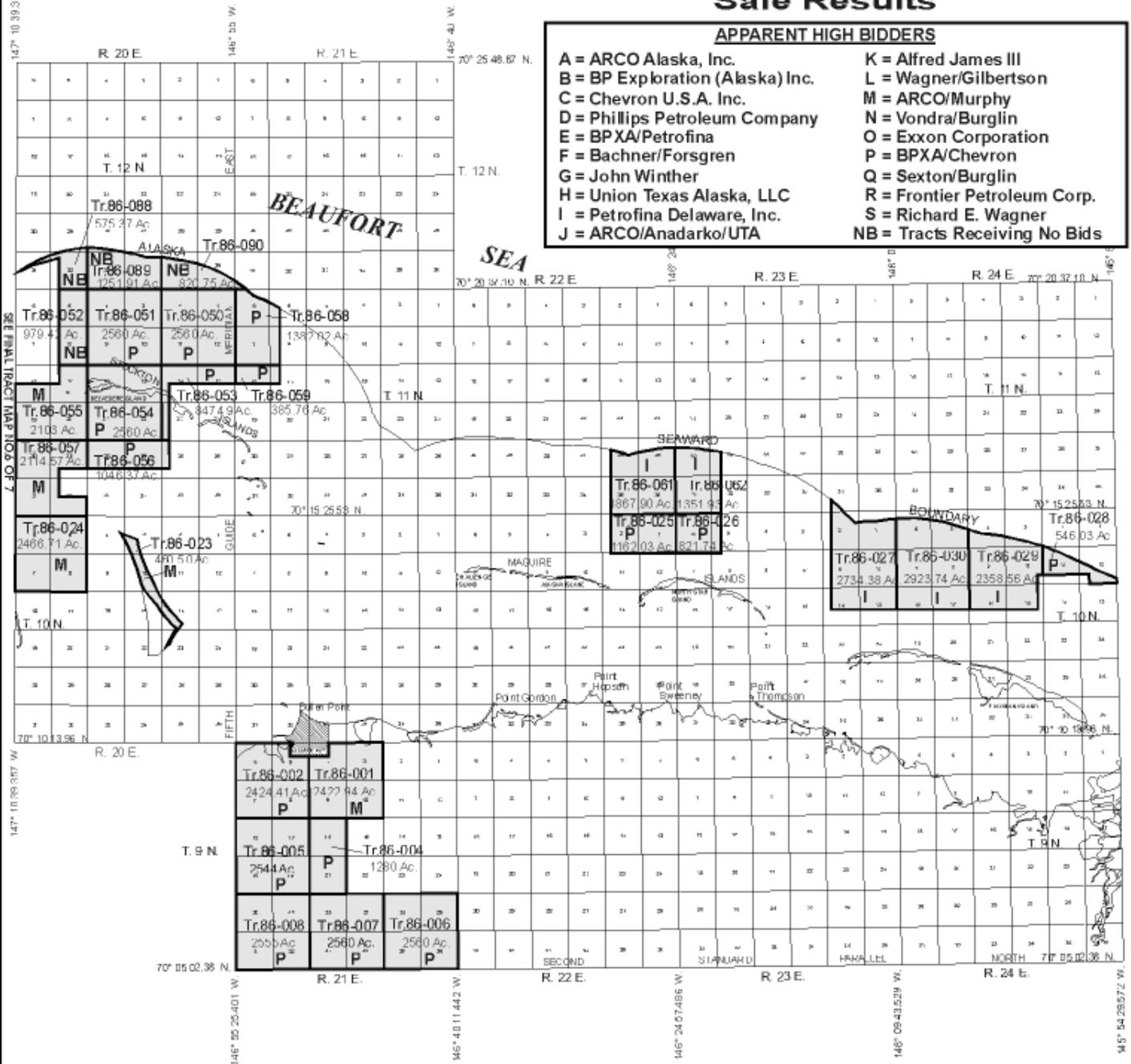
FINAL TRACT MAP NO.6 OF 7

TOWNSHIPS 9 TO 12 NORTH, RANGES 20 TO 24 EAST, UMIAT MERIDIAN

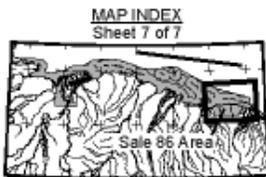
Sale Results

APPARENT HIGH BIDDERS

- A = ARCO Alaska, Inc.
- B = BP Exploration (Alaska) Inc.
- C = Chevron U.S.A. Inc.
- D = Phillips Petroleum Company
- E = BPXA/Petrofina
- F = Bachner/Forsgren
- G = John Winther
- H = Union Texas Alaska, LLC
- I = Petrofina Delaware, Inc.
- J = ARCO/Anadarko/UTA
- K = Alfred James III
- L = Wagner/Gilbertson
- M = ARCO/Murphy
- N = Vondra/Burglin
- O = Exxon Corporation
- P = BPXA/Chevron
- Q = Sexton/Burglin
- R = Frontier Petroleum Corp.
- S = Richard E. Wagner
- NB = Tracts Receiving No Bids



Sale Results Map



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
OIL AND GAS LEASE SALE 86
Central Beaufort Sea Final Tract Map

SCALE 1:250,000 ONE INCH EQUALS 4 MILES APPROX.

5 0 5 10
MILES

DIRECTOR, DIV. OF OIL & GAS KENNETH A. BOYD	DRAWN BY: O.D.S.	DATE APPROVED: 11/19/97
PETROLEUM GEOPHYSICIST, JAMES HANSEN	CHECKED BY:	Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

NOTE: THIS MAP IS NOT AN OFFICIAL TRACT MAP, BUT IS FOR INFORMATIONAL PURPOSES ONLY. A SET OF OFFICIAL TRACT MAPS IS AVAILABLE AT THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL & GAS, 3601 C STREET, SUITE 1380, ANCHORAGE, ALASKA 99503 (907) 269-8800

FINAL TRACT MAP NO.7 OF 7

**State of Alaska
Department of Natural
Resources
Division of Oil and Gas**

Detailed Sale Results

Date of Sale: June 24,1998

Final Report

Competitive Oil and Gas Lease Sale: Sale 87

Bidding Method: Cash Bonus Bid, Fixed Royalty	Tracts Offered: 137	Acreage Offered:
518,688.79		
Minimum Bid: \$5.00 per Acre	Tracts Sold: 137	Acreage Sold: 518,688.79

Total Number of Valid Bids	166
Total High Bonus Bids:	\$51,794,173.14
Total Exposed (Sum of All Valid Bids):	\$58,038,687.50
Average High Bonus Bid Per Acre:	\$99.86

Highest Bid:	\$4,659,417.00
Tract Number:	627
Submitted By:	ARCO/BPXA
Highest Bid/Acre:	\$831.00
Tract Number:	627
Submitted By:	ARCO/BPXA

<u>Bidder Company or Group Name</u>	<u>Tracts Bid On</u>	<u>Number of Total of All Bids</u>	<u>Number of Tracts Won</u>	<u>Total of High Bids</u>
Anadarko	26	\$7,643,853.44	20	\$5,418,354.14
Anadarko /Petrofina	9	\$6,331,025.72	6	\$5,250,199.79
ARCO	45	\$16,133,415.78	38	\$15,288,443.03
ARCO /Chevron	13	\$4,834,962.60	13	\$4,834,962.60
ARCO/BPXA	9	\$14,299,247.00	8	\$12,710,473.00
ARCO/Murphy	5	\$259,412.50	2	\$52,794.40
BPXA	24	\$5,881,768.07	22	\$5,733,891.47
Burglin/Vondra	4	\$51,120.00	4	\$51,120.00
Chevron	4	\$254,530.10	4	\$254,530.10
Forsgren	14	\$429,071.81	12	\$368,562.85
Gilbertson/Wagner	9	\$130,373.12	4	\$40,934.40
James	1	\$31,590.40	1	\$31,590.40
Winther	3	\$1,758,316.96	3	\$1,758,316.96

Two bids, submitted by Richard wagner and Dan Gilbertson on Tract 1022 and 1025, have been rejected by the commissioner of DNR. These bidders failed to meet the requirements of AS 38.05.860(c) and the instructions to bidders. Each bidder is required to submit a bid deposit equal to 20% of the total estimated bonus bid with each bid for a competitive oil and gas lease tract. The bid deposits for these two bids were each short \$93.64 of the required 20%.

Two additional bids, submitted by Keith Forsgren on Tracts 0997 and 1008, have been rejected by the commissioner of DNR. Acceptance of the sole bids on these tracts was determined not to be in the state's interest at the time. Because of some ambiguity regarding the state records involving the status and availability of the acreage within these tracts, certain potential bidders may have been discouraged from submitting bids. As a result, the commissioner believes that the state may not have received the highest possible bids on these tracts. The ambiguity will be corrected and the tracts made available in the next North Slope Oil and Gas Lease Sale.

Oil And Gas Lease Sale 87: North Slope Areawide

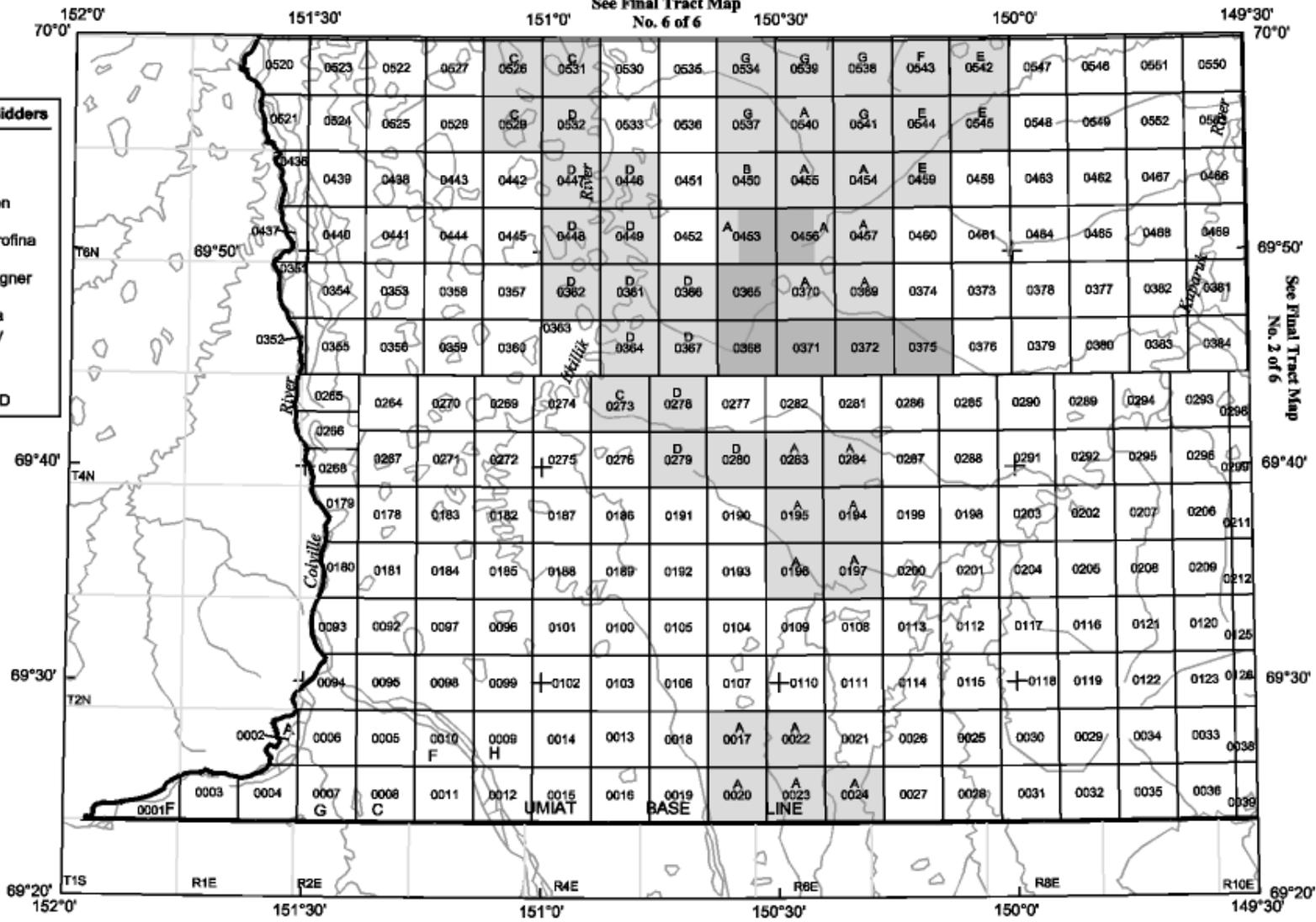
Final Tract Map No. 1 of 6

See Final Tract Map
 No. 6 of 6

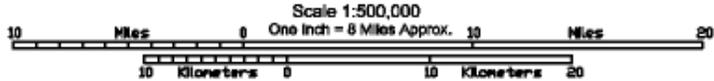
Apparent High Bidders

- A = ARCO
- B = BPXA
- C = Chevron
- D = ARCO/Chevron
- E = Anadarko
- F = Anadarko/Petrofina
- G = ARCO/BPXA
- H = Gilbertson/Wagner
- I = James
- J = Burglin/Vondra
- K = ARCO/Murphy
- L = Winther
- M = Forsgren

A = LEASED



42



Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 150° 45', origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.



Director, Division of Oil and Gas Kenneth A. Boyd _____ Date: _____	Leasing Manager James Hansen _____ Date: _____
--	---

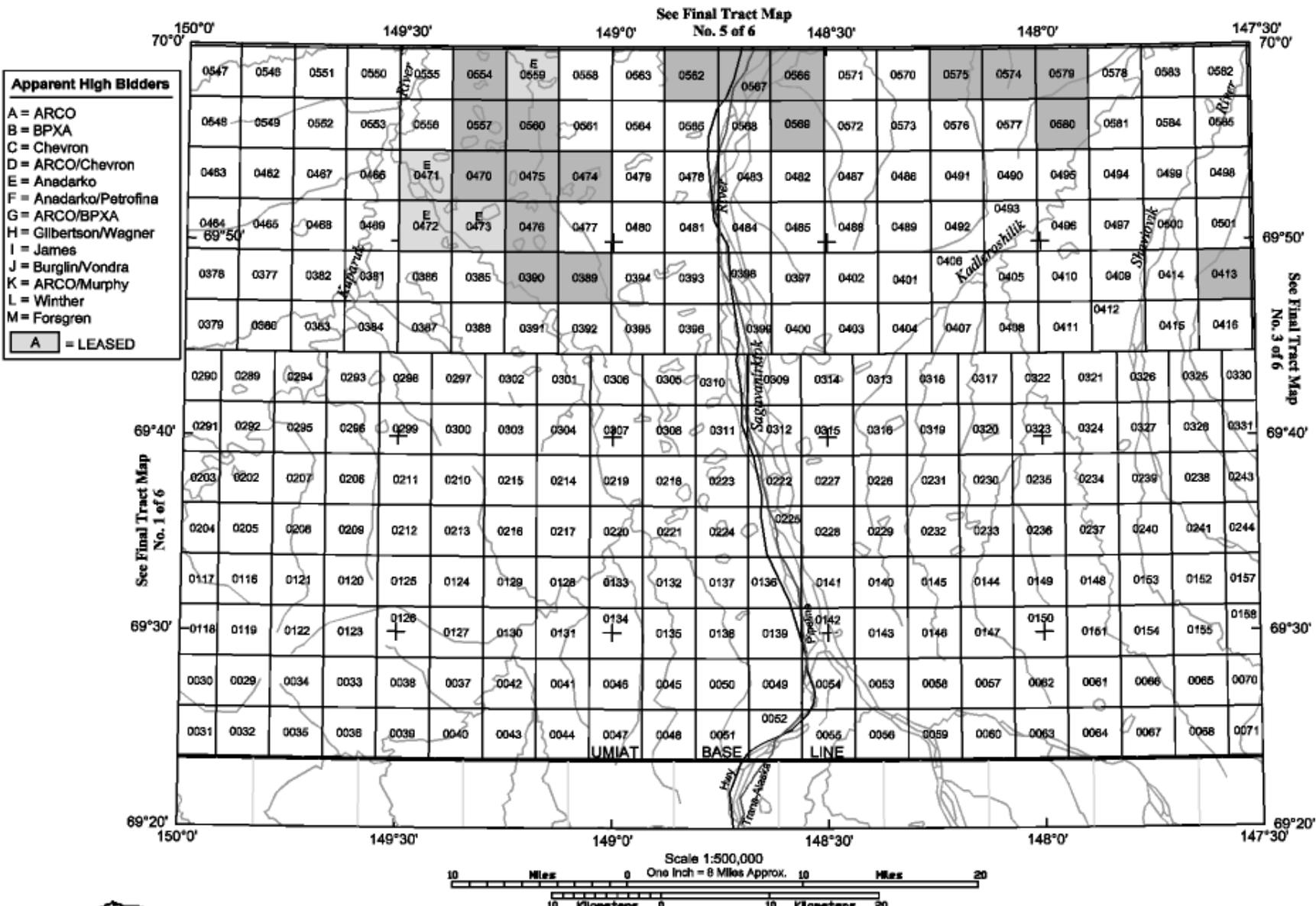
This Is Not An Official Tract Map. For Informational Purposes Only.

Sale Boundary

Currently Leased State Acreage (As of December 1997)

Oil And Gas Lease Sale 87: North Slope Areawide

Final Tract Map No. 2 of 6



43

Apparent High Bidders

- A = ARCO
- B = BPXA
- C = Chevron
- D = ARCO/Chevron
- E = Anadarko
- F = Anadarko/Petrofina
- G = ARCO/BPXA
- H = Gilbertson/Wagner
- I = James
- J = Burglin/Vondra
- K = ARCO/Murphy
- L = Winther
- M = Foregren

A = LEASED



Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 148° 45', origin latitude of 50°, northern parallel of 66°, and southern parallel of 55°.

Director, Division of Oil and Gas Kenneth A. Boyd _____ Date: _____	Leasing Manager James Hansen _____ Date: _____
--	---

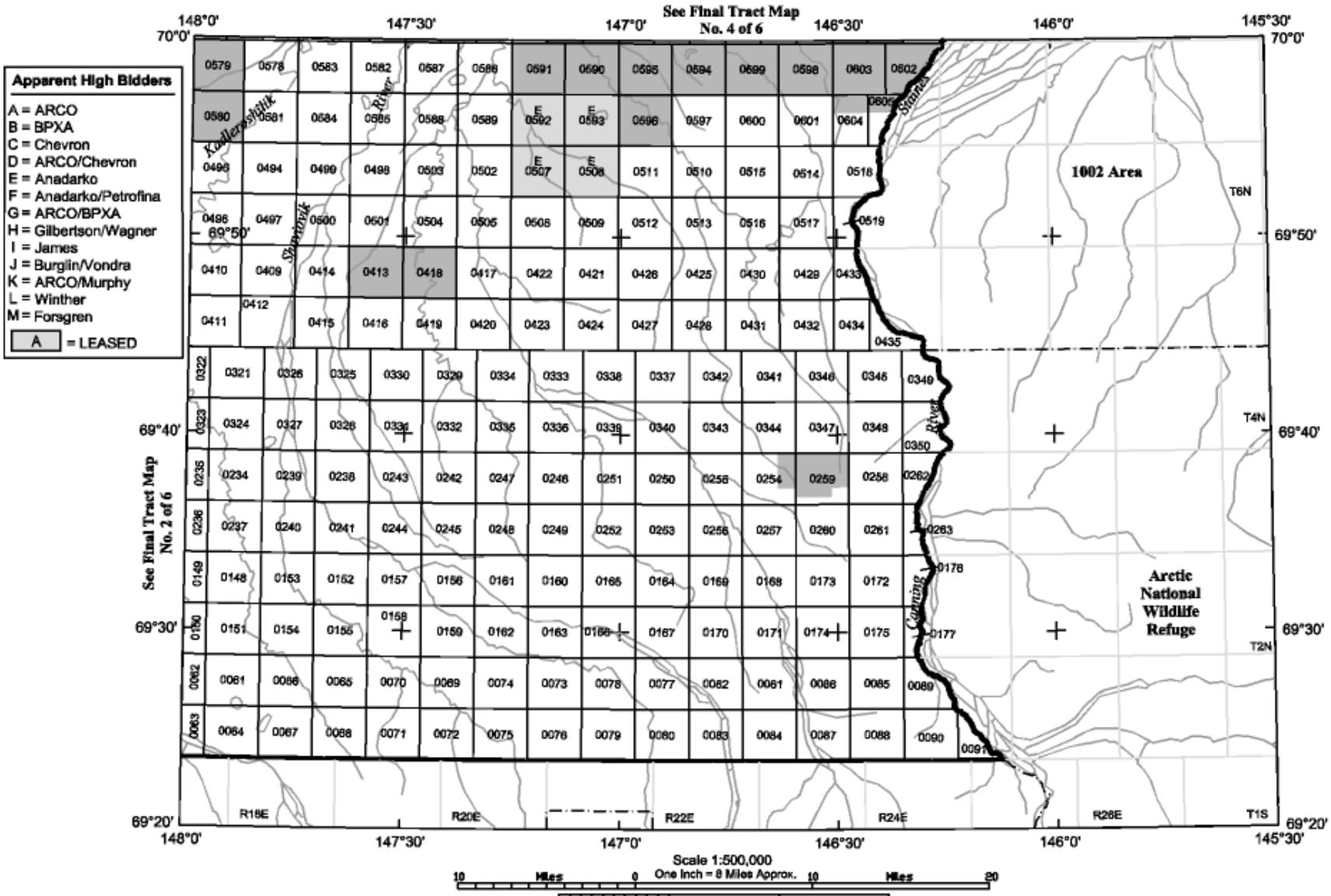
This Is Not An Official Tract Map. For Informational Purposes Only.

— Sale Boundary

■ Currently Leased State Acreage (As of December 1997)

Oil And Gas Lease Sale 87: North Slope Areawide

Final Tract Map No. 3 of 6



Apparent High Bidders	
A	= ARCO
B	= BPXA
C	= Chevron
D	= ARCO/Chevron
E	= Anadarko
F	= Anadarko/Petrofina
G	= ARCO/BPXA
H	= Gilbertson/Wagner
I	= James
J	= Burglin/Vondra
K	= ARCO/Murphy
L	= Winther
M	= Forsgren
A	= LEASED

44



Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 146° 45', origin latitude of 50°, northern parallel of 66°, and southern parallel of 55°.

Director, Division of Oil and Gas Kenneth A. Boyd _____	Date: _____	Leasing Manager James Hansen _____	Date: _____
--	-------------	---------------------------------------	-------------

This is Not An Official Tract Map. For Informational Purposes Only.

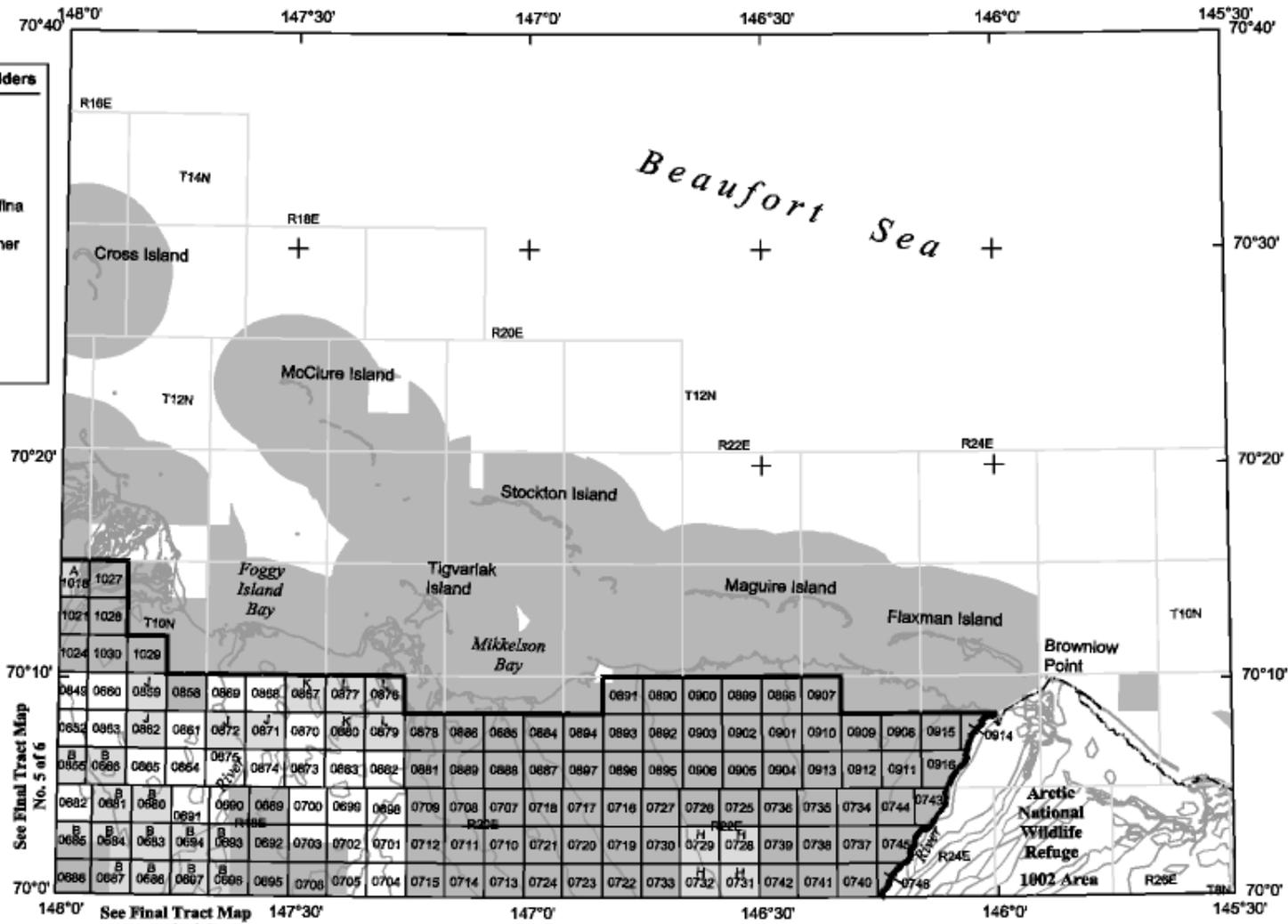
— Sale Boundary

■ Currently Leased State Acreage (As of December 1997)

Oil And Gas Lease Sale 87: North Slope Areawide

Final Tract Map No. 4 of 6

- Apparent High Bidders**
- A = ARCO
 - B = BPXA
 - C = Chevron
 - D = ARCO/Chevron
 - E = Anadarko
 - F = Anadarko/Petrofina
 - G = ARCO/BPXA
 - H = Gilbertson/Wagner
 - I = James
 - J = Burgin/Vondra
 - K = ARCO/Murphy
 - L = Winther
 - M = Forsgren
- A** = LEASED



45



Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 spheroid with a central meridian of 146° 45', origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.

Director, Division of Oil and Gas	Leasing Manager
Kenneth A. Boyd _____ Date: _____	James Hansen _____ Date: _____

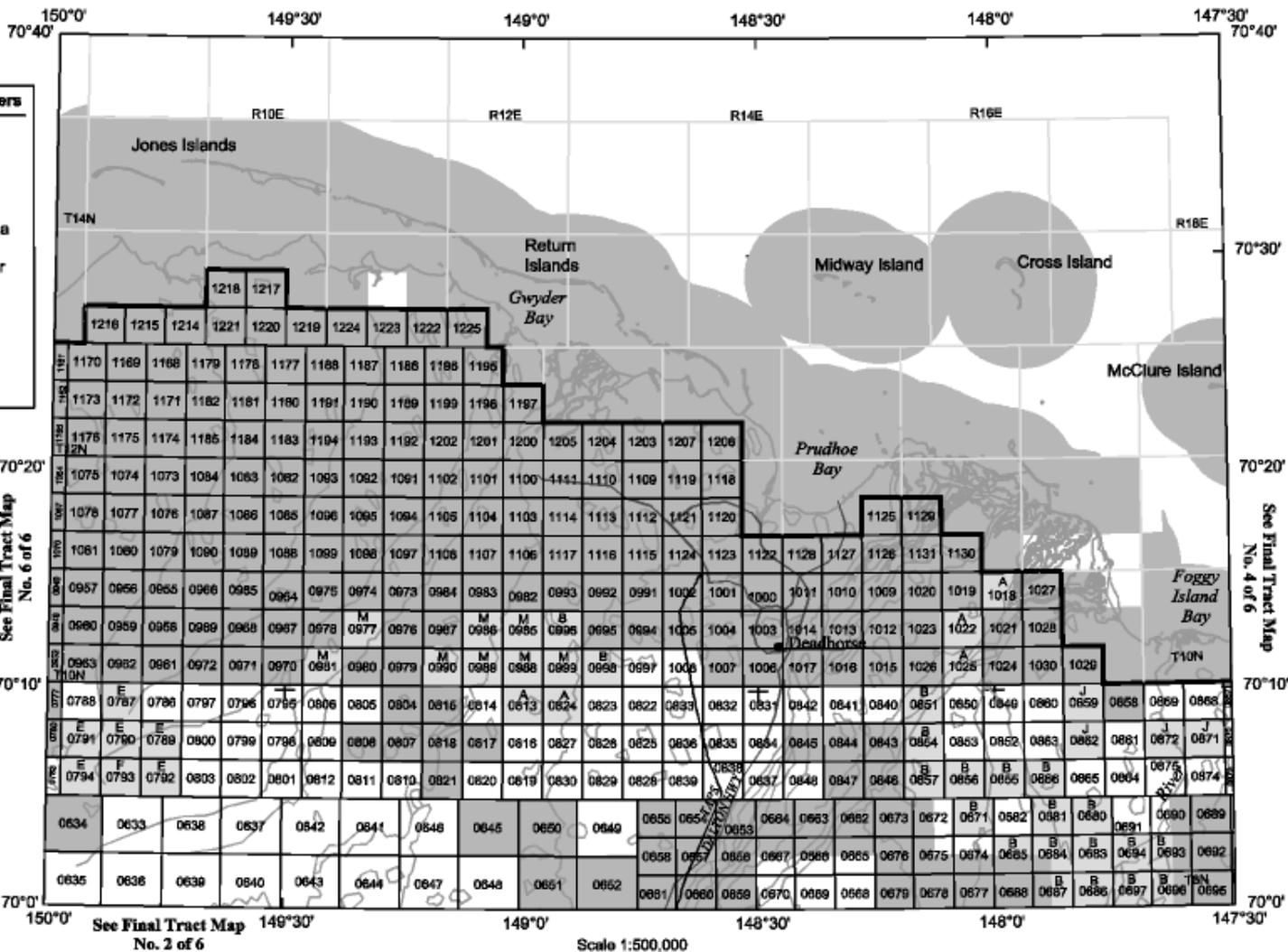
This Is Not An Official Tract Map. For Informational Purposes Only.

— Sale Boundary

■ Currently Leased State Acreage (As of December 1997)

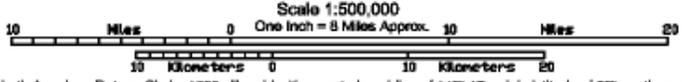
Oil And Gas Lease Sale 87: North Slope Areawide

Final Tract Map No. 5 of 6



- Apparent High Bidders**
- A = ARCO
 - B = BPXA
 - C = Chevron
 - D = ARCO/Chevron
 - E = Anadarko
 - F = Anadarko/Petrofina
 - G = ARCO/BPXA
 - H = Gilbertson/Wagner
 - I = James
 - J = Burglin/Vondra
 - K = ARCO/Murphy
 - L = Winther
 - M = Forsgren
- A = LEASED**

46



Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 148° 45', origin latitude of 50°, northern parallel of 55°, and southern parallel of 55°.

Director, Division of Oil and Gas Kenneth A. Boyd	Date: _____	Leasing Manager James Hansen	Date: _____
--	-------------	---------------------------------	-------------

This Is Not An Official Tract Map. For Informational Purposes Only.

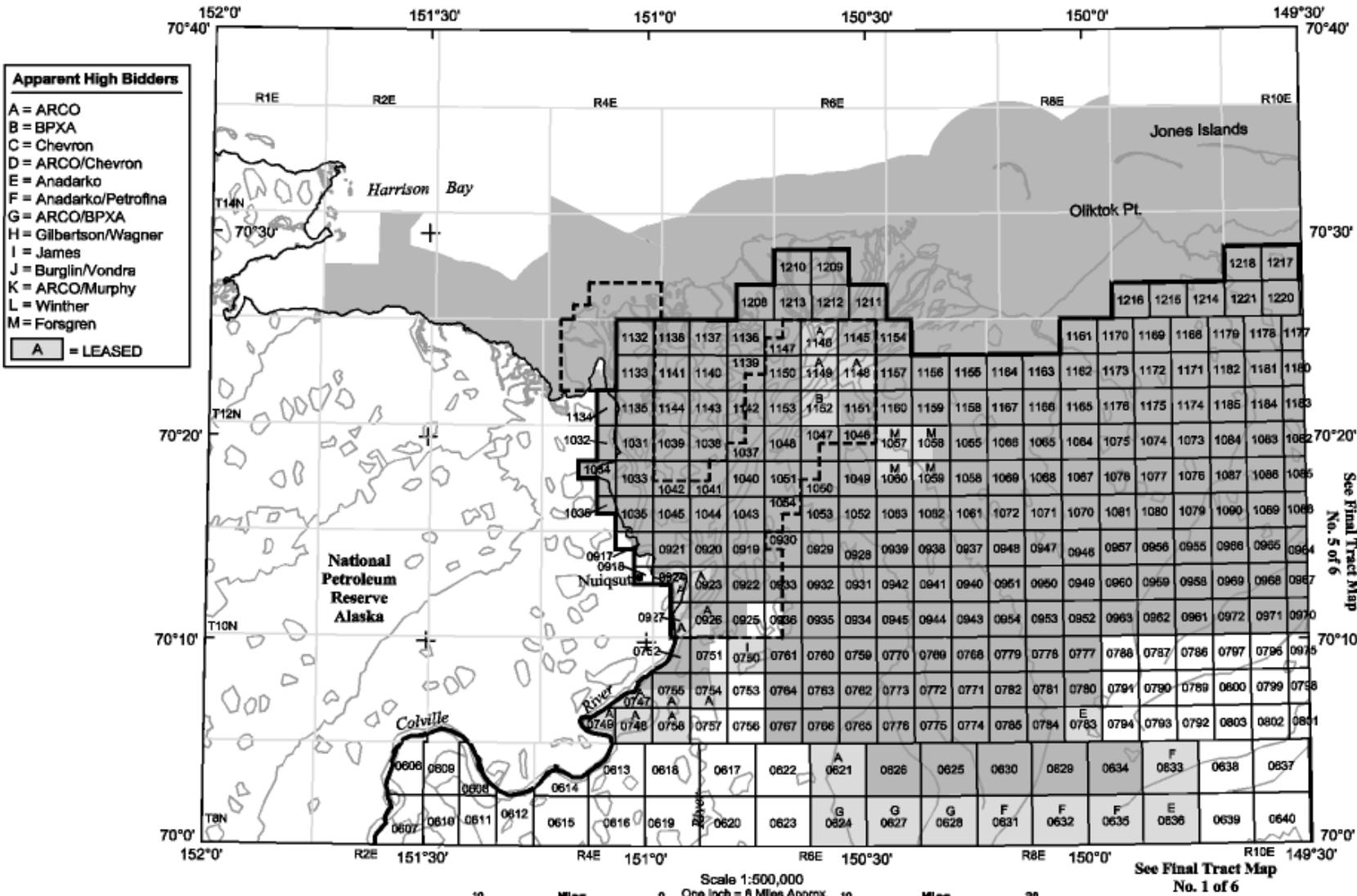


— Sale Boundary

■ Currently Leased State Acreage (As of December 1997)

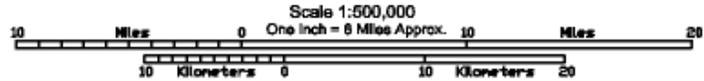
Oil And Gas Lease Sale 87: North Slope Areawide

Final Tract Map No. 6 of 6



- Apparent High Bidders**
- A = ARCO
 - B = BPXA
 - C = Chevron
 - D = ARCO/Chevron
 - E = Anadarko
 - F = Anadarko/Petrofina
 - G = ARCO/BPXA
 - H = Gilbertson/Wagner
 - I = James
 - J = Burglin/Vondra
 - K = ARCO/Murphy
 - L = Winther
 - M = Forsgren
- A = LEASED**

47



Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 150° 45', origin latitude of 60°, northern parallel of 66°, and southern parallel of 55°.

Director, Division of Oil and Gas Kenneth A. Boyd	Date: _____	Leasing Manager James Hansen	Date: _____
--	-------------	---------------------------------	-------------

This Is Not An Official Tract Map. For Informational Purposes Only.

See Final Tract Map No. 5 of 6

See Final Tract Map No. 1 of 6

----- State/ASRC Settlement Area

———— Sale Boundary

█ Currently Leased State Acreage (As of March 1998)



SUMMARY OF STATE COMPETITIVE LEASE SALES

Sale Number	Sale Date	Sale Area	Acres Offered	Acres Leased	Percent Leased	Average \$/Acre	Tracts Offered	Tracts Leased	Bonus Received	Bid Variable	
1	12/10/59	Cook Inlet	88,055	77,191	87.66%	\$52.08	37	31	\$4,020,342	Bonus; No Min	
2	7/13/60	Cook Inlet	17,568	16,506	93.96%	\$24.70	27	26	\$407,655	Bonus; No Min	
3	12/7/60	Mixed	73,048	22,867	31.30%	\$1.54	26	9	\$35,325	Bonus; No Min	
4	1/25/61	Cook Inlet	400	400	100.00%	\$679.04	3	3	\$271,614	Bonus; No Min	
5	5/23/61	Mixed	97,876	95,980	98.06%	\$74.71	102	99	\$7,170,465	Bonus; No Min	
6	8/4/61	Gulf Ak	13,257	13,257	100.00%	\$8.35	6	6	\$110,672	Bonus; No Min	
7	12/19/61	Mixed	255,708	187,118	73.18%	\$79.43	68	53	\$14,863,049	Bonus; No Min	
8	4/24/62	Cook Inlet	1,062	1,062	100.00%	\$4.80	8	8	\$5,097	Bonus; No Min	
9	7/11/62	Mixed	315,669	264,437	83.77%	\$59.42	89	76	\$15,714,113	Bonus; No Min	
10	5/8/63	Cook Inlet	167,583	141,491	84.43%	\$29.23	200	158	\$4,136,225	Bonus; No Min	
12	12/11/63	Cook Inlet	346,782	247,089	71.25%	\$12.31	308	207	\$3,042,681	Bonus; No Min	
13	12/9/64	Mixed	1,194,373	721,224	60.39%	\$7.68	610	341	\$5,537,100	Bonus; No Min	
14	7/14/65	North Slope	754,033	403,000	53.45%	\$15.25	297	159	\$6,145,473	Bonus; \$1/acre Min	
15	9/28/65	Cook Inlet	403,042	301,751	74.87%	\$15.49	293	216	\$4,674,344	Bonus; \$1/acre Min	
16	7/19/66	Mixed	184,410	133,987	72.66%	\$52.55	205	153	\$7,040,880	Bonus; \$1/acre Min	
17	11/22/66	Cook Inlet	19,230	18,590	96.67%	\$7.33	36	35	\$136,280	Bonus; \$1/acre Min	
18	1/24/67	Mixed	47,729	43,657	91.47%	\$33.90	23	20	\$1,479,906	Bonus; \$1/acre Min	
19	3/28/67	Kachemak Bay	2,560	RULED INVALID				12/9/74			
20	7/25/67	Cook Inlet	311,250	256,447	82.39%	\$73.14	295	220	\$18,757,341	Bonus; \$1/acre Min	
21	3/26/68	Ak Pen	346,623	164,961	47.59%	\$18.24	308	147	\$3,009,224	Bonus; \$1/acre Min	
22	10/29/68	Cook Inlet	111,199	60,272	54.20%	\$17.29	230	125	\$1,042,220	Bonus; No Min	
23	9/10/69	North Slope	450,858	412,548	91.50%	\$2,181.66	179	164	\$900,041,605	Bonus; No Min	
24	5/12/71	Cook Inlet	196,635	92,618	47.10%	\$4.92	244	106	\$455,641	Bonus; No Min	
25	9/26/72	Cook Inlet	325,401	178,245	54.78%	\$7.43	259	152	\$1,324,673	Bonus; No Min	
26	12/11/72	Cook Inlet	399,921	177,973	44.50%	\$8.75	218	105	\$1,557,849	Bonus; No Min	
27	5/9/73	Cook Inlet	308,401	113,892	36.93%	\$9.92	210	96	\$1,130,325	Bonus; No Min	
28	12/13/73	Cook Inlet	166,648	97,804	58.69%	\$253.77	98	62	\$24,819,190	Bonus; No Min	
29	10/23/74	Cook Inlet	278,269	127,120	45.68%	\$8.19	164	82	\$1,040,910	Bonus; No Min	
29B	7/24/79	Copper River	34,678	34,678	100.00%	\$4.56	20	20	\$158,042	Bonus; No Min	
30	12/12/79	Beaufort Sea	341,140	296,308	86.86%	\$1,914.87	71	62	\$567,391,497	NPS	

SUMMARY OF STATE COMPETITIVE LEASE SALES (cont'd)

Sale Number	Sale Date	Sale Area	Acres Offered	Acres Leased	Percent Leased	Average \$/Acre	Tracts Offered	Tracts Leased	Bonus Received	Bid Variable
31	9/16/80	North Slope	196,268	196,268	100.00%	\$63.12	78	78	\$12,387,470	Bonus; No Min
33	5/13/81	Cook Inlet	815,000	429,978	52.76%	\$10.00	202	103	\$4,299,782	Royalty; 20% Min
32	8/25/81	Cook Inlet	202,837	152,428	75.15%	\$10.00	78	59	\$1,524,282	Royalty; 20% Min
35	2/2/82	Cook Inlet	601,172	131,191	21.82%	\$10.00	149	31	\$1,311,907	Royalty; 12.5% Min
36*	5/26/82	Beaufort Sea	56,862	56,862	100.00%	\$573.02	13	13	\$32,583,452	Bonus; No Min
37*	8/24/82	Copper Riv	852,603	168,849	19.80%	\$3.33	217	33	\$562,944	Bonus; No Min
37A	8/24/82	Cook Inlet	1,875	1,875	100.00%	\$52.00	1	1	\$97,479	Bonus; No Min
34*	9/28/82	North Slope	1,231,517	571,954	46.44%	\$46.70	261	119	\$26,713,018	Bonus; No Min
39*	5/17/83	Beaufort Sea	211,988	211,988	100.00%	\$99.05	42	42	\$20,998,101	Bonus; \$10/acre Min
40	9/28/83	Cook Inlet	1,044,745	443,355	42.44%	\$7.17	284	140	\$3,177,178	Bonus; \$1/acre Min
43	5/22/84	Beaufort Sea	298,074	281,784	94.53%	\$114.32	69	66	\$32,214,794	Bonus; \$10/acre Min
43A*	5/22/84	North Slope	76,079	76,079	100.00%	\$125.44	15	15	\$1,612,583	Bonus; \$10/acre Min
41	9/18/84	Bristol Bay	1,437,930	278,939	19.40%	\$3.03	308	63	\$843,965	Bonus; No Min
46A	2/26/85	Cook Inlet	248,585	190,042	76.45%	\$13.28	65	50	\$2,523,334	Bonus; \$1/acre Min
45A	9/24/85	North Slope	606,385	164,885	27.19%	\$28.25	113	32	\$4,657,478	Bonus; \$5/acre Min
47	9/24/85	North Slope	192,569	182,560	94.80%	\$63.79	50	48	\$11,645,003	Bonus; \$5/acre Min
48	2/25/86	North Slope	526,101	266,736	50.70%	\$9.16	104	54	\$2,444,342	Bonus; \$5/acre Min
48A	2/25/86	Beaufort Sea	42,053	42,053	100.00%	\$12.13	11	11	\$510,255	Bonus; \$5/acre Min
49	6/24/86	Cook Inlet	1,189,100	394,881	33.21%	\$2.40	260	98	\$947,171	Bonus; \$1/acre Min
51	1/27/87	North Slope	592,142	100,632	16.99%	\$2.88	119	26	\$289,625	Bonus; \$2/acre Min
50	6/30/87	Beaufort Sea	118,147	118,147	100.00%	\$56.05	35	35	\$6,621,723	Bonus; \$5/acre Min
54*	1/26/88	North Slope	421,809	338,687	80.29%	\$13.83	89	72	\$4,683,388	Bonus; \$5/acre Min
55	9/28/88	Beaufort Sea	201,707	96,632	47.91%	\$152.13	56	25	\$14,700,602	Bonus; \$10/acre & \$25/acre Min
69A	9/28/88	North Slope	775,555	368,490	47.51%	\$16.61	155	75	\$6,119,135	Bonus; \$5/acre Min
52	1/24/89	Beaufort Sea	175,981	52,463	29.81%	\$33.12	43	15	\$1,737,513	Bonus; \$10/acre Min
72A	1/24/89	North Slope	677	677	100.00%	\$671.90	1	1	\$454,977	Bonus; \$10/acre Min

*Economic Incentive Credits were offered for these sales.

SUMMARY OF STATE COMPETITIVE LEASE SALES (cont'd)

Sale Number	Sale Date	Sale Area	Acres Offered	Acres Leased	Percent Leased	Average \$/Acre	Tracts Offered	Tracts Leased	Bonus Received	Bid Variable
67A*	1/29/91	Cook Inlet	549,364	191,588	34.87%	\$28.77	140	55	\$5,511,338	Bonus; \$5/acre Min
70A*	1/29/91	North Slope	532,153	420,568	79.03%	\$65.88	135	109	\$27,707,541	Bonus; \$5/acre Min
64	6/4/91	North Slope	754,542	34,143	4.52%	\$7.10	141	6	\$242,389	Bonus; \$5/acre Min
65*	6/4/91	Beaufort Sea	491,091	172,865	35.20%	\$40.46	108	36	\$6,993,949	Bonus; \$5/acre Min
74A*	9/24/91	Cook Inlet	605,851	26,605	4.39%	\$12.06	134	5	\$320,853	Bonus; \$5/acre Min
61	1/22/92	North Slope	991,087	260,550	26.29%	\$9.32	181	46	\$2,429,551	Bonus; \$5/acre Min
68	6/2/92	Beaufort Sea	153,445	0	0.00%	\$0.00	36	0	\$0	Bonus; \$10/acre Min
75	12/8/92	North Slope	217,205	124,832	57.47%	\$78.11	90	55	\$9,750,111	Bonus; \$10/acre Min
76	1/26/93	Cook Inlet	393,025	141,504	36.00%	\$461.25	86	36	\$65,269,167	Bonus; \$5/acre Min
67 A-W	1/26/93	Cook Inlet	282,577	129,810	45.94%	\$18.75	69	33	\$2,433,864	Bonus; \$5/acre Min
77	5/25/93	North Slope	1,260,146	45,727	3.63%	\$25.47	228	8	\$1,164,555	Bonus; \$5/acre Min
70 A-W	5/25/93	North Slope	37,655	28,055	74.51%	\$48.41	11	8	\$1,358,027	Bonus; \$10/acre Min
57	9/21/93	North Slope	1,033,248	0	0.00%	\$0.00	196	0	\$0	Bonus; \$5/acre Min
75A	9/21/93	North Slope	14,343	14,343	100.00%	\$31.36	11	11	\$449,847	Bonus; \$10/acre Min
78	10/30/94	Cook Inlet	396,760	136,307	34.36%	\$12.14	90	34	\$1,654,137	Bonus; \$5/acre Min
67A-W2	11/14/95	Cook Inlet	152,768	13,804	9.04%	\$7.29	36	3	\$100,638	Bonus; \$5/acre Min
74W	11/14/95	Cook Inlet	66,703	17,015	25.51%	\$31.76	16	4	\$540,406	Bonus; \$5/acre Min
76W	11/14/95	Cook Inlet	251,614	14,220	5.65%	\$5.61	50	4	\$79,722	Bonus; \$5/acre Min
78W	11/14/95	Cook Inlet	260,453	36,478	14.01%	\$7.06	56	11	\$257,583	Bonus; \$5/acre Min
80	12/5/95	North Slope	951,302	151,567	15.93%	\$22.02	202	42	\$3,337,485	Bonus; \$10/acre Min
86A	10/1/96	North Slope	15,484	5,901	38.11%	\$343.40	13	5	\$2,026,247	Bonus; \$100/acre Min
									(see NOTE below)	
85A	12/18/96	Cook Inlet	1,061,555	173,503	16.33%	\$17.92	234	44	\$3,109,603	Bonus; \$5/acre Min
86	11/18/97	Beaufort Sea	365,054	323,835	88.70%	\$86.42	181	162	\$27,985,125	Bonus; \$10/acre Min
85A-W	2/24/98	Cook Inlet	757,878	98,011	12.90%	\$8.46	157	24	\$828,807	Bonus; \$5/acre Min
87	6/24/98	North Slope	Areawide	518,689	N/A	\$99.86	N/A	137	\$51,794,173	Bonus; \$5/acre Min
NS 99	2/24/99	North Slope	Areawide	178,560	N/A	\$14.54	N/A	40	\$2,596,838	Bonus; \$5/acre Min
CI 99	4/21/99	Cook Inlet	Areawide	199,040	N/A	\$12.17	N/A	46	\$2,423,242	Bonus; \$5/acre Min
TOTAL: 83 Sales				13,478,425		\$149.24		5,210	\$2,011,546,435	

*Economic Incentive Credits were offered for these sales.

NOTE: State received \$259,435; ASRC received \$1,766,812.

STATE COMPETITIVE SALE AREAS

<u>DATE</u>	<u>SALE</u>
12/10/59	1. Wide Bay; offshore Kenai to Ninilchik, Kachemak Bay
07/13/60	2. Kenai Pen., West Forelands, Nushagak Bay; offshore/uplands
12/07/60	3. Katalla, Kalifonsky Beach, Herendeen Bay; offshore Kodiak
01/25/61	4. Uplands Ninilchik
05/23/61	5. Tyonek, Controller Bay, Pavlov Bay; offshore/uplands
08/04/61	6. Controller Bay (Special Sale); offshore
12/19/61	7. Icy, Yakutat & Kachemak Bays, So. Kenai Pen., N. Cook Inlet; offshore/uplands
04/24/62	8. Big Lake; uplands
07/11/62	9. Tyonek, W. Forelands, Knik Arm/Kalgin Is., Chisik Is., So. Kenai Pen., Wide Bay; offshore/uplands
05/08/63	10. Tyonek, Kenai; offshore/uplands
12/11/63	12. S. of Forelands, Knik & Turnagain Arms, Upper Cook Inlet, Kenai Pen., Tyonek to Katunu River; offshore/uplands
12/09/64	13. Fire Is., W. Forelands, Trinity Is., Prudhoe West; offshore/uplands
07/14/65	14. Prudhoe West to Canning R.; offshore/uplands
09/28/65	15. Fire Is. & N. Cook Inlet, Kalgin Is., Redoubt Bay, Knik, S. Kenai Pen.; offshore/uplands
07/19/66	16. Kenai Pen. & Knik, Middleton Is., Fire Is., Redoubt Bay, Kalgin Is., Iliamna Mt., N. Cook Inlet; offshore/uplands
11/22/66	17. Big Lake, Kenai; offshore/uplands
01/24/67	18. Katalla, Prudhoe; offshore/uplands
03/28/67	19. Lower Cook Inlet; offshore RULED INVALID ON 12/09/74
07/25/67	20. Big Lake, Knik, Iliamna Mt., Belukha, N. Cook Inlet, Kalgin Is., Ninilchik; offshore/uplands
03/26/68	21. Port Heiden & Port Moller; offshore
10/29/68	22. Big Lake, Knik, Belukha, West Forelands, Ninilchik, Kachemak & Kenai; uplands
09/10/69	23. Colville to Canning R.; offshore/uplands

State Competitive Sale Areas, continued

<u>DATE</u>	<u>SALE</u>
05/12/71	24. Big Lake, Knik, Kenai, West Forelands; uplands
12/11/72	26. Cook Inlet (Between Forelands & Turnagain Arm); offshore/uplands
09/26/72	25. Big Lake, Knik, Belukha, North Cook Inlet; offshore/uplands
05/09/73	27. Tuxedni, Ninilchik, Kenai, Kalgin; offshore/uplands
12/13/73	28. Ninilchik, Kachemak Bay, Belukha; offshore/uplands
10/23/74	29. Kalgin & West Forelands, Chisik, Ninilchik, N. Cook Inlet, Turnagain, Big Lake; offshore/uplands
07/24/79	29B. Copper River Basin
12/12/79	30. Beaufort Sea (Joint Federal & State Sale): offshore Milne Pt. east to Flaxman Is.
09/16/80	31. Prudhoe Uplands: Kuparuk R. to Mikkelsen Bay
08/25/81	32. Lower Cook Inlet: Kenai Pen. and offshore
05/13/81	33. Upper Cook Inlet: Kenai Pen., Trading Bay, Beluga, Susitna R., Susitna Flats, uplands; offshore Cook Inlet north of Salamatof
02/02/82	35. Lower Cook Inlet: Kenai Pen., Redoubt Cr. north to Drift R., uplands; offshore lower Cook Inlet
05/26/82	36. Beaufort Sea: Pt. Thomson area; offshore/uplands
08/24/82	37. Middle Tanana & Copper River Basins
08/24/82	37A. Chakok River Exempt (Kenai Pen.); uplands
09/28/82	34. Prudhoe Uplands: Sagavanirktok R. to Canning R.
05/17/83	39. Beaufort Sea: Qwydyr Bay to Harrison Bay; offshore/uplands
09/28/83	40. Upper Cook Inlet: Anchorage south to Homer; offshore/uplands
05/22/84	43. Beaufort Sea: Pitt Point east to Harrison Bay; offshore
05/22/84	43A. Colville R. Delta/Prudhoe Bay Uplands Exempt: West of Kavik R.; offshore/uplands
09/18/84	41. Bristol Bay Uplands: Kvichak R. to Port Heiden

State Competitive Sale Areas, continued

<u>DATE</u>	<u>SALE</u>
02/26/85	46A. Cook Inlet Exempt: Kenai Pen., Susitna R., Pt. MacKenzie, uplands; upper Cook Inlet
09/24/85	45A. North Slope Exempt: Canning R. to Colville R.; offshore/uplands
09/24/85	47. Kuparuk Uplands: South of Prudhoe Bay
02/25/86	48. Kuparuk Uplands: South of Kuparuk oil field
02/25/86	48A. Mikkelsen Exempt: Mikkelsen Bay, Foggy Is. Bay; offshore/uplands
06/24/86	49. Cook Inlet: Kalgin Is., Kahiltna, Yentna, Skwentna rivers, Alexander Cr.; offshore/uplands
01/27/87	51. Prudhoe Bay Uplands: Canning R. to Sagavanirktok R.
06/30/87	50. Camden Bay: Flaxman Is. to Hulahula R.; offshore
09/28/88	55. Demarcation Point: Canning R. to U.S./Canadian border; offshore
09/28/88	69A. Kuparuk Uplands Exempt: Canning R. to Colville R.
01/26/88	54. Kuparuk Uplands: Colville River Delta
01/24/89	52. Beaufort Sea: Pitt Point to Tangent Point; offshore
01/24/89	72A. Oliktok Point Exempt: Uplands
01/29/91	67A. Cook Inlet Exempt: Anch., lower Susitna Valley, Redoubt Bay, Trading Bay, Kenai Pen., uplands; upper Cook Inlet, offshore
01/29/91	70A. Kuparuk Uplands Exempt: Canning R. to Colville R.
06/04/91	64. Kavik: Canning R. to Sagavanirktok R.; uplands
06/04/91	65. Beaufort Sea: Pitt Point to Canning R.; offshore
09/24/91	74. Cook Inlet: Nikishka to Ninilchik, Drift R., West Forelands, uplands; Kalgin Is. north to Kenai Pen., offshore
01/22/92	61. White Hills: Colville R. to White Hills; uplands
06/02/92	68. Beaufort Sea: Nulavik to Tangent Point; offshore
12/08/92	75. Kuparuk Uplands: Between NPRA and Sagavanirktok R.; Colville R. Delta ASRC lands
01/26/93	76. Cook Inlet: Big Lake to Salamatof; onshore/offshore
01/26/93	67A-W. Cook Inlet Reoffer: Nancy Lake to West Forelands; onshore/offshore
05/25/93	77. Nanushuk: North Slope Foothills, Chandler R. to Ivanshak R
05/25/93	70A-W. Kuparuk Uplands Reoffer: Between Canning R. and Kavik R.; onshore

State Competitive Sale Areas, continued

DATE	SALE
09/21/93	57. North Slope Foothills: Brooks Range foothills, Sagavanirktok R. to Killik R
09/21/93	75A. Colville River Exempt: Colville River Delta onshore
10/31/94	78. Cook Inlet: Susitna R. to Stariski Cr.; onshore/offshore
11/14/95	67A-W2. Cook Inlet Reoffer: Trading Bay and Susitna R., onshore/offshore
11/14/95	74W. Cook Inlet Reoffer: Onshore/offshore, mouth of Kasilof R.
11/14/95	76W. Cook Inlet Reoffer: Onshore between Tyonek and Palmer, Knik Arm
11/14/95	78W. Cook Inlet Reoffer: Forelands to Little Susitna R, Kasilof R. to Stariski Pt., onshore/offshore
12/05/95	80. Shaviovik: Sag R. to Canning R., southern Kaparuk Uplands, Gwydyr Bay, Foggy Island Bay, onshore/offshore
10/01/96	86A. Colville River Exempt: Colville R, offshore, state/ASRC onshore/offshore
12/18/96	85A. Cook Inlet Exempt: Anchor Pt. and Tuxedni Bay to Turnagain Arm, Beluga R. offshore/onshore
11/18/97	86. Central Beaufort Sea: Harrison Bay to Flaxman Island
02/24/98	85A-W. Cook Inlet Reoffer: Onshore/offshore; Tyonek to Tuxedni Bay and Chickaloon Bay to Ninilchik
06/24/98	87. North Slope Areawide: All acreage between NPRA and ANWR north of the Umiat Baseline

ACKNOWLEDGMENTS

This document was prepared with the assistance of the following Division of Oil and Gas staff:

Kevin Banks, Petroleum Economist
Lynn Blessington, Clerk
Tom Bucceri, Natural Resource Officer
Nancy Jurgens, Accountant
Marie Crosley, Natural Resource Manager
James Hansen, Leasing Manager
Jim Haynes, Natural Resource Manager
Brian Havelock, Natural Resource Officer
Joe Joyner, Natural Resource Manager
Pamela Rogers, Natural Resource Manager
Dan Smith, Cartographer