

# Five-Year Program of Proposed Oil & Gas Lease Sales

**D**NR expects to continue areawide leasing for the next five-year program cycle, annually offering the five existing sale areas for leasing by competitive bidding.

On May 12, 2008, DNR notified the Legislature that it was returning to a twice-yearly schedule for lease sales starting in calendar year 2009. The new schedule is a return to the twice-yearly sale schedule the department had for many years.

The revised schedule will eliminate the February lease sale and return to lease sales held in May and October of each year. The Alaska Peninsula sale, originally scheduled for February 2009, will be delayed three months and combined with the Cook Inlet sale in May 2009. The North Slope Foothills sale, also originally scheduled for February 2009, will be delayed eight months and combined with the Beaufort Sea and North Slope sales in October 2009. Years 2010 through 2013 will also reflect this change.

The best interest finding issued for each sale area allows DNR to conduct areawide lease sales for up to ten

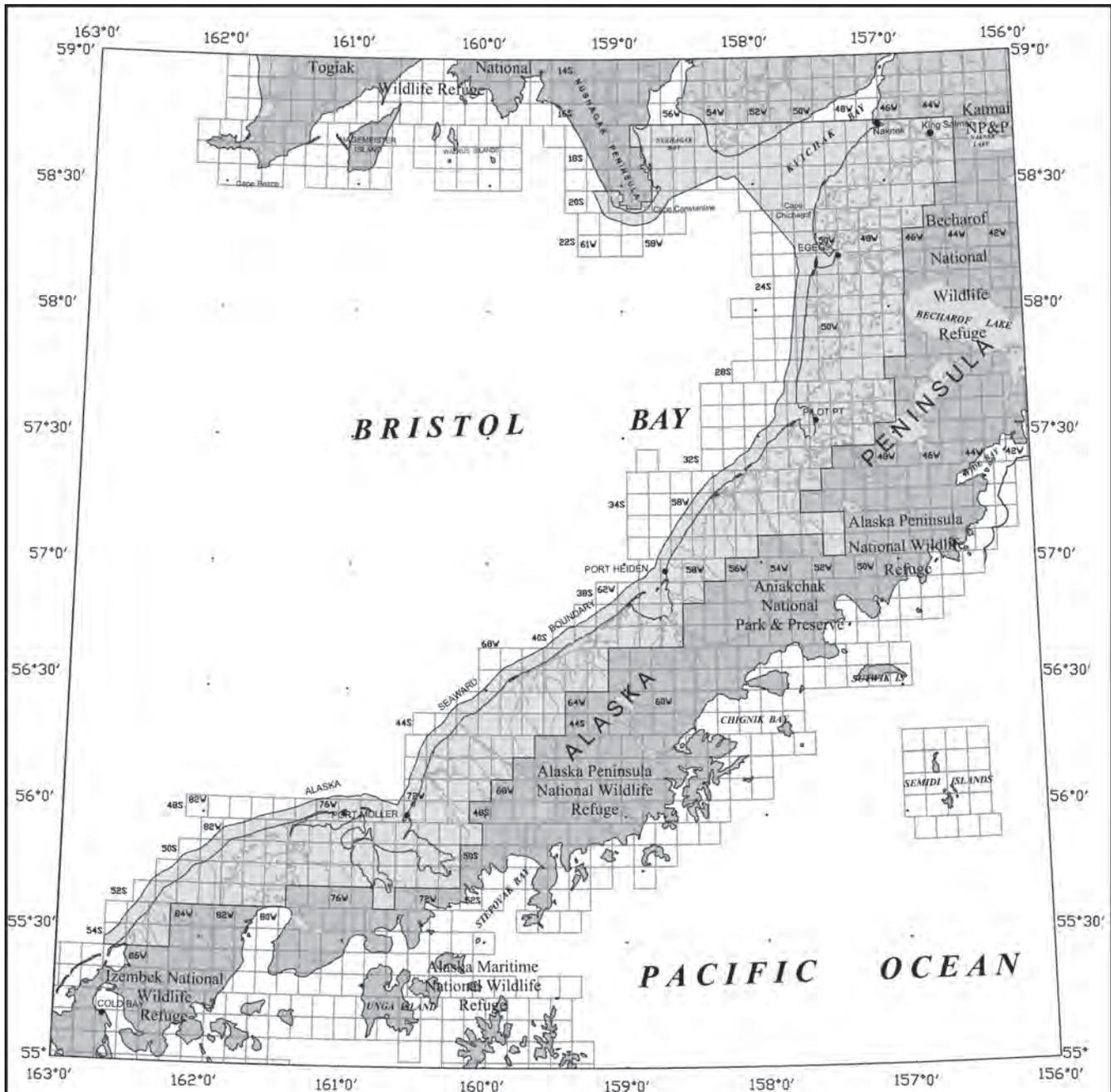
years without repeating the entire best interest finding process each year. However, before holding a sale in the years following the issuance of the final finding, DNR must determine whether a supplement to the finding is required.

Annually, approximately nine months before each proposed lease sale, DNR calls for comments from the public, requesting any new information that has become available since the most recent best interest finding for that area was issued. Based on a determination of whether substantial new information that justifies a supplement has become available, DNR issues either a supplement to the finding or a "Decision of No New Substantial Information" not later than 90 days before the lease sale.

Other than the May 2009 sales, a final decision has not been made on whether these sales will be held in the next five years. Each year, a geologic and economic evaluation of the sale area is prepared several months before a scheduled sale to decide whether to offer the area, and to determine the bidding method, leasing method and the lease terms for the sale.

## Five-Year Program for Oil and Gas Areawide Sales 2009-2013

Sale Area	Annually Held In
Alaska Peninsula Areawide	May
Cook Inlet Areawide	May
Beaufort Sea Areawide	October
North Slope Areawide	October
North Slope Foothills Areawide	October



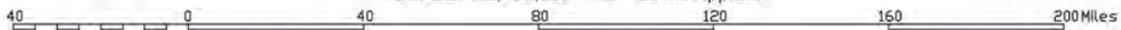
STATE OF ALASKA  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL AND GAS

**ALASKA PENINSULA AREAWIDE**

Proposed Sale Area



SCALE: 1:2,400,000 1in. = 38 Mi. Approx.



This Map is For Informational Purposes Only, and should not be used for any other purpose.

ADNR 12/05

# Alaska Peninsula Areawide Oil and Gas Lease Sale

## Annually Held in May

**Property Description and Location:** Proposed oil and gas lease sale areas on the Alaska Peninsula for 2009-2013 stretch from the Nushagak Peninsula in the north, down the north side of the Alaska Peninsula to the vicinity of Cold Bay. The gross lease sale area is approximately 5.8 million acres divided into 1,047 tracts ranging in size from 1,280 to 5,760 acres. Only those state-owned oil and gas mineral estates that are free and unencumbered will be leased.

The most recent best interest finding for the Alaska Peninsula was issued on July 25, 2005. On October 15, 2008, DNR called for comments from the public requesting new information that has become available since the most recent best interest finding. Based on a determination of whether substantial new information has become available that justifies a supplement to the most recent best interest finding, DNR plans to issue either a supplement to the finding or a "Decision of No New Substantial Information" in February 2009, for a proposed May 2009 lease sale.

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

**Other Resource Issues:** The proposed lease sale area contains some of the most productive fish and wildlife resources in the state.

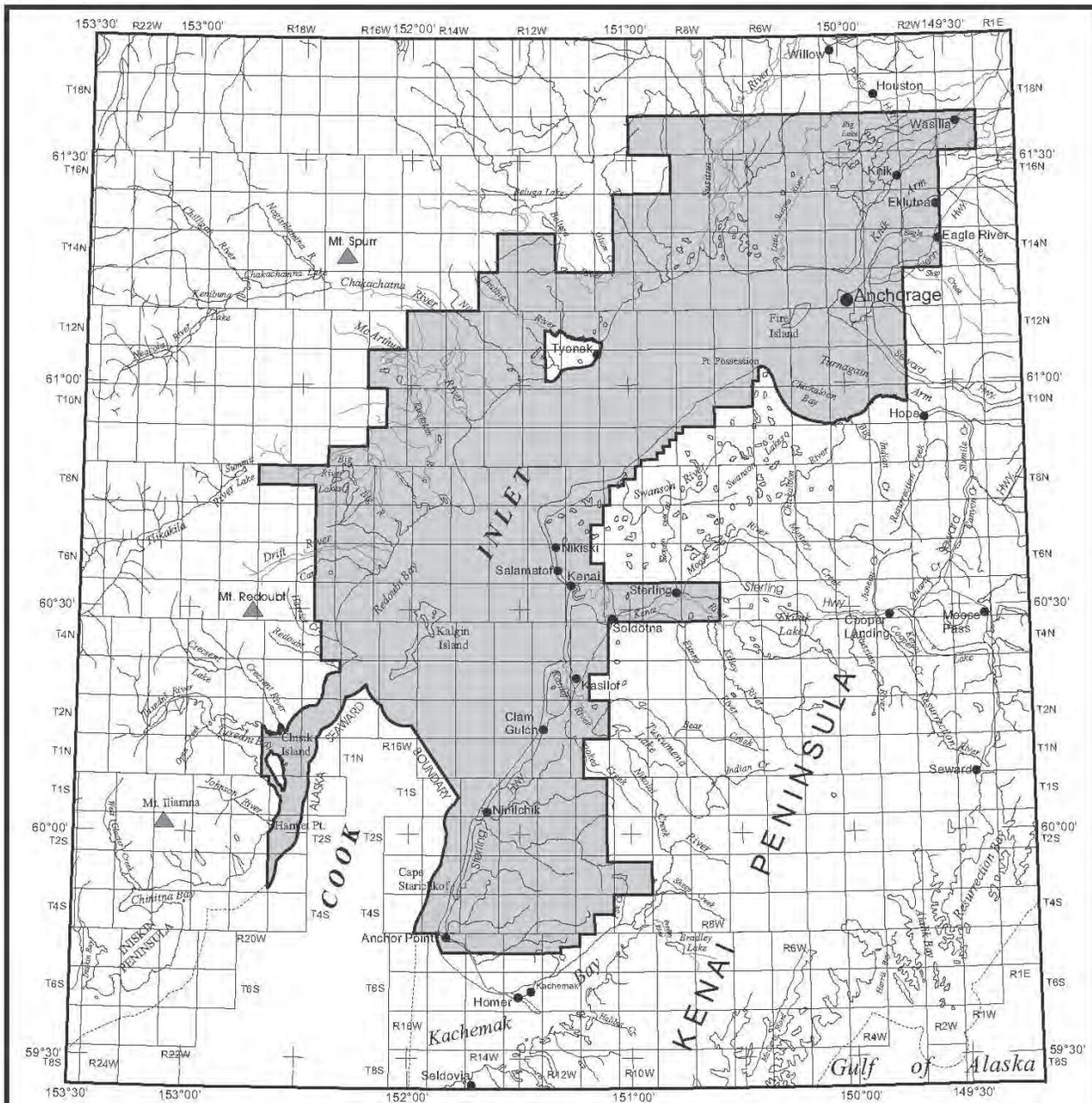
A wide variety of mammals inhabit the region: caribou, brown bear, moose, Pacific walrus, beluga whale, gray whale, Steller sea lion, harbor seal, and sea otter are the primary species. The area provides staging, feeding, and nesting habitat for hundreds of species of shorebirds and waterfowl, collectively numbering in the millions of birds. All five species of Pacific salmon occur in the area, as well as Dolly Varden, rainbow trout, grayling, burbot, and a variety of other fishes. Fish and wildlife populations in the area are harvested extensively for subsistence and sport use, and contribute significantly to the local economy.

**Municipalities and Communities:** Portions of the proposed lease sale area lie within the boundaries of the Bristol Bay, Lake and Peninsula, and Aleutians East boroughs and the Dillingham Census Area. A lease sale must be consistent with the Alaska Coastal Management Program and the local borough and Bristol Bay Coastal Resource Service Area district plans.

## Municipalities & Communities

Community	Municipal Classification	Population (2007)
Aleutians East Borough	2nd Class Borough	2,795
Bristol Bay Borough	2nd Class Borough	1,035
Lake & Peninsula Borough	Home Rule Borough	1,538
Dillingham	1st Class City	2,405
Cold Bay	2nd Class City	72
Port Heiden	2nd Class City	87
Egegik	2nd Class City	64
Pilot Point	2nd Class City	61
Naknek	Unincorporated	543
King Salmon	Unincorporated	426
South Naknek	Unincorporated	66
Nelson Lagoon	Unincorporated	69
Ugashik	Unincorporated	13

Source: DCCED



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

**COOK INLET AREAWIDE**

Proposed Sale Area



SCALE 1:1,425,600 ONE INCH EQUALS 22.5 MILES APPROX.  
 20 0 20 40 60 80 MILES

# Cook Inlet Areawide Oil and Gas Lease Sale

## Annually Held in May

**Property Description and Location:** Proposed oil and gas lease sales in Cook Inlet for 2009-2013 include the Matanuska and Susitna River valleys generally south and west of Houston and Wasilla, the Anchorage Bowl, the western and southern Kenai Peninsula from Point Possession to Anchor Point, and the western shore of Cook Inlet from the Beluga River to Harriet Point. The lease sale area also includes the tide and submerged lands in upper Cook Inlet from Knik and Turnagain Arms south to Anchor Point 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 area is approximately 4 million acres and is divided into 815 tracts ranging in size from 640 to 5,760 acres. Only those state-owned oil and gas mineral estates that are free and unencumbered will be leased.

The best interest finding for Cook Inlet was issued on January 20, 1999 and supplemented on May 20, 2000, February 18, 2004, February 21, 2007, and February 4, 2008. A new preliminary best interest finding for Cook Inlet was issued on September 29, 2008. A final finding is scheduled to be issued in January 2009, for a proposed May 2009 lease sale.

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

**Other Resource Issues:** The Cook Inlet region is used

extensively for recreation, subsistence and sport fishing, hunting and gathering, and commercial and personal use fishing. Five species of Pacific salmon are fished commercially throughout Cook Inlet. Numerous important anadromous fish streams are found within the proposed lease 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. Species listed as threatened or endangered under the federal Endangered Species Act that inhabit the lease sale area include Steller's eider (Alaska breeding population threatened), Cook Inlet beluga whale (endangered), and Steller sea lion (east of 144 degrees longitude, threatened; west of 144 degrees longitude, endangered).

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

**Municipalities and Communities:** The proposed sale area is within the boundaries of the Matanuska-Susitna Borough, the Municipality of Anchorage, and the Kenai Peninsula Borough. All have approved coastal management plans, which are incorporated in the Alaska Coastal Management Program.



Photo Courtesy of Marathon Oil  
Marathon Oil Company Spark Platform.



Photo by DOG Staff

Marathon Oil Company Glacier Rig on Kenai Peninsula.

### Cook Inlet Municipalities & Communities

Community	Municipal Classification	Population (2007)	Community	Municipal Classification	Population (2007)
Municipality of Anchorage	Unified Home Rule Municipality	283,938	Eklutna	Unincorporated	335
Kenai Peninsula Borough	2nd Class Borough	52,407	Happy Valley	Unincorporated	495
Matanuska-Susitna Borough	2nd Class Borough	80,088	Hope	Unincorporated	147
Kenai	Home Rule City	6,975	Kalifornsky	Unincorporated	7,129
Palmer	Home Rule City	5,506	Kasilof	Unincorporated	596
Homer	1st Class City	5,504	Knik-Fairview	Unincorporated	12,283
Seldovia	1st Class City	284	Nanwalek	Unincorporated	217
Soldotna	1st Class City	3,983	Nikiski	Unincorporated	4,345
Wasilla	1st Class City	7,028	Nikolaevsk	Unincorporated	297
Houston	2nd Class City	1,588	Port Graham	Unincorporated	134
Anchor Point	Unincorporated	1,814	Ridgeway	Unincorporated	1,987
Big Lake	Unincorporated	3,166	Salamatof	Unincorporated	878
Clam Gulch	Unincorporated	175	Seldovia Village	Unincorporated	161
Cohoe	Unincorporated	1,263	Sterling	Unincorporated	5,123
			Tyonek	Unincorporated	181

Source: DCCED

## Pictures from the North Slope



The Fox Drilling Rig #2 making its debut in Alaska with Pioneer Natural Resources.



Caribou have adapted well to infrastructure and use pads and roads for insect relief and shade from buildings and pipelines for relief from summer sun.



Rig moves are slow and tedious and the pieces can weigh several million pounds.



Milne Point Unit F Pad has significantly contributed to the field's production.



The North Slope climate presents challenges year round for producers and production facilities.



Central Gas Facility glycol dehydrator and propane tank. **Photos by Steve Schmitz, DOG**



# Beaufort Sea Areawide Oil and Gas Lease Sale

## Annually Held in October

**Property Description and Location:** Proposed oil and gas lease sales areas in the Beaufort Sea for 2009-2013 consist of tide and submerged lands lying between the U.S.-Canada border and Point Barrow, and some coastal uplands acreage located along the Beaufort Sea between the Canning and Colville Rivers. The gross lease sale is approximately 2 million acres divided into 576 tracts, ranging in size from 640 to 5,760 acres. Only those state-owned oil and gas mineral estates that are free and unencumbered will be leased.

The best interest finding for the Beaufort Sea was issued on July 15, 1999, supplemented in August 2000 and in July 2008. DNR is drafting a new preliminary best interest finding for the Beaufort Sea. A final finding is scheduled to be issued in July 2009 for a proposed October 2009 lease sale.

**Petroleum Potential:** The petroleum potential in the area is considered moderate to high.

**Other Resource Issues:** The marine and near-marine environment along the Beaufort Sea coast provides denning habitat for polar bears and pupping habitat for ringed seals. Bowhead whales can occur in the proposed sale vicinity during the spring and fall mi-

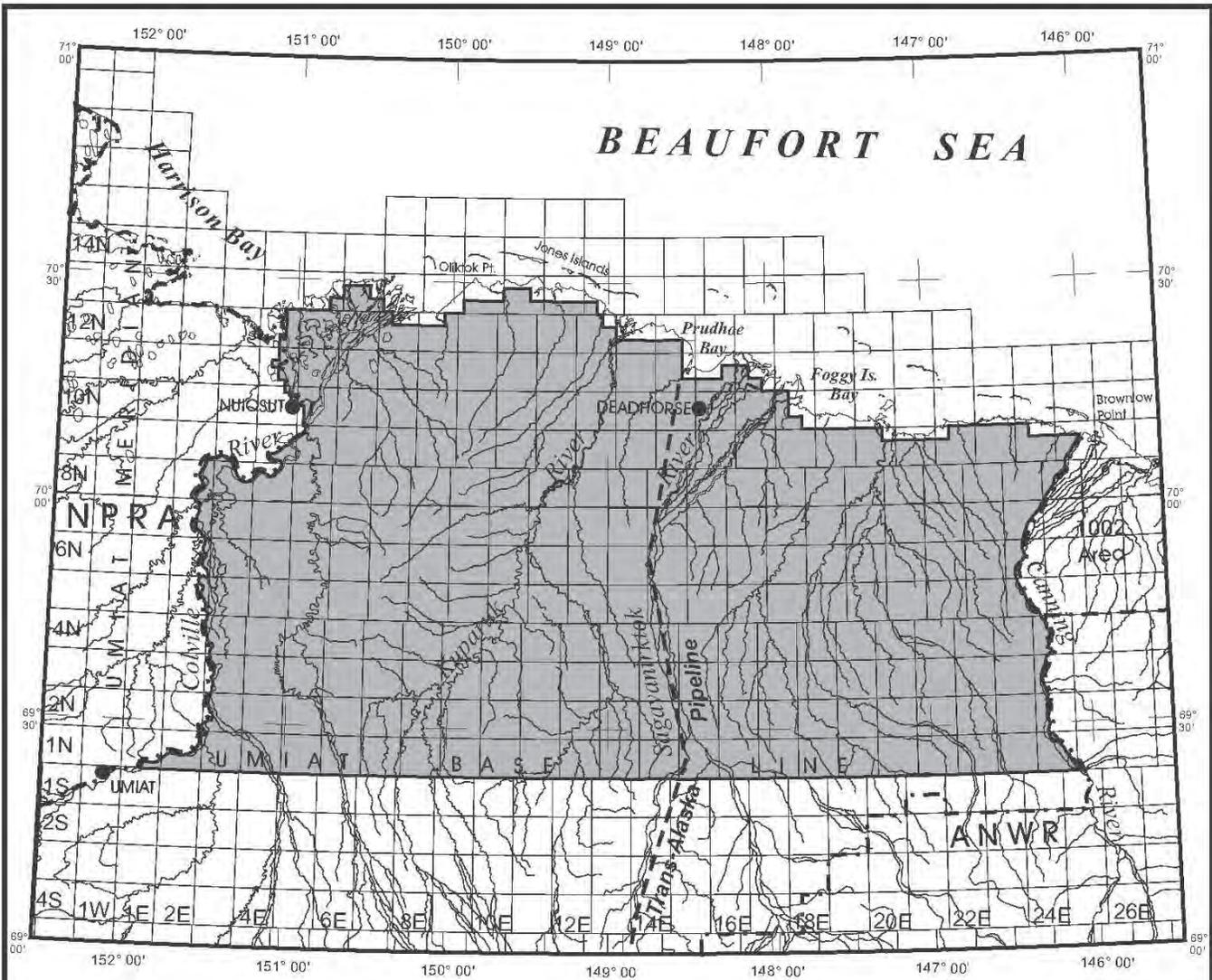
grations, and a bowhead whale feeding area has been documented in the Demarcation Point vicinity. Beluga whales may also be found in the general vicinity during the summer. Numerous species of waterfowl, shorebirds, and seabirds migrate along the Beaufort Sea and nest, stage, and molt in the lagoonal areas. Nearshore waters provide habitat for many marine, anadromous, and amphidromous fish species. Caribou, grizzly bear, and moose are found along major rivers. Residents of Barrow, Nuiqsut, and Kaktovik use area fish and wild-life resources for subsistence; fall and spring hunts for bowhead whales are especially important to their subsistence needs.

**Municipalities and Communities:** The proposed lease 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 lease sale area.

## Municipalities & Communities

Community	Municipal Classification	Population (2007)
North Slope Borough	Home Rule Borough	6,751
Barrow	1st Class City	4,054
Atkasuk	2nd Class City	223
Kaktovik	2nd Class City	287
Prudhoe Bay/Deadhorse	Unincorporated	3
Nuiqsut	2nd Class City	403

Source: DCCED



STATE OF ALASKA  
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**NORTH SLOPE AREAWIDE**



SCALE 1:1,500,000 ONE INCH = 24 MILES APPROX.  
 20 0 20 40 60 80 MILES  
 Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

Proposed Sale Areas

# North Slope Areawide Oil and Gas Lease Sale

## Annually Held in October

**Property Description and Location:** Proposed oil and gas lease sale areas on the North Slope for 2009-2013 consist of all state-owned lands between the National Petroleum Reserve-Alaska and the Arctic National Wildlife Refuge (ANWR), and from the Beaufort Sea to the north and the Umiat Meridian Baseline to the south. The gross lease sale area of the proposed sale is approximately 5.1 million acres and is divided into 1,225 tracts. Only those state-owned oil and gas mineral estates that are free and unencumbered will be leased.

The most recent best interest finding for the North Slope was issued on July 15, 2008. Approximately nine months before a proposed October lease sale, DNR will call for comments from the public requesting new information that has become available since the most recent best interest finding. Based on a determination of whether substantial new information has become available that justifies a supplement to the most recent best interest finding, DNR will issue either a supplement to the finding or a "Decision of No New Substantial Information" not later than 90 days before the sale.

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

**Other Resource Issues:** The proposed lease sale area supports a variety of wildlife. Caribou from the Central

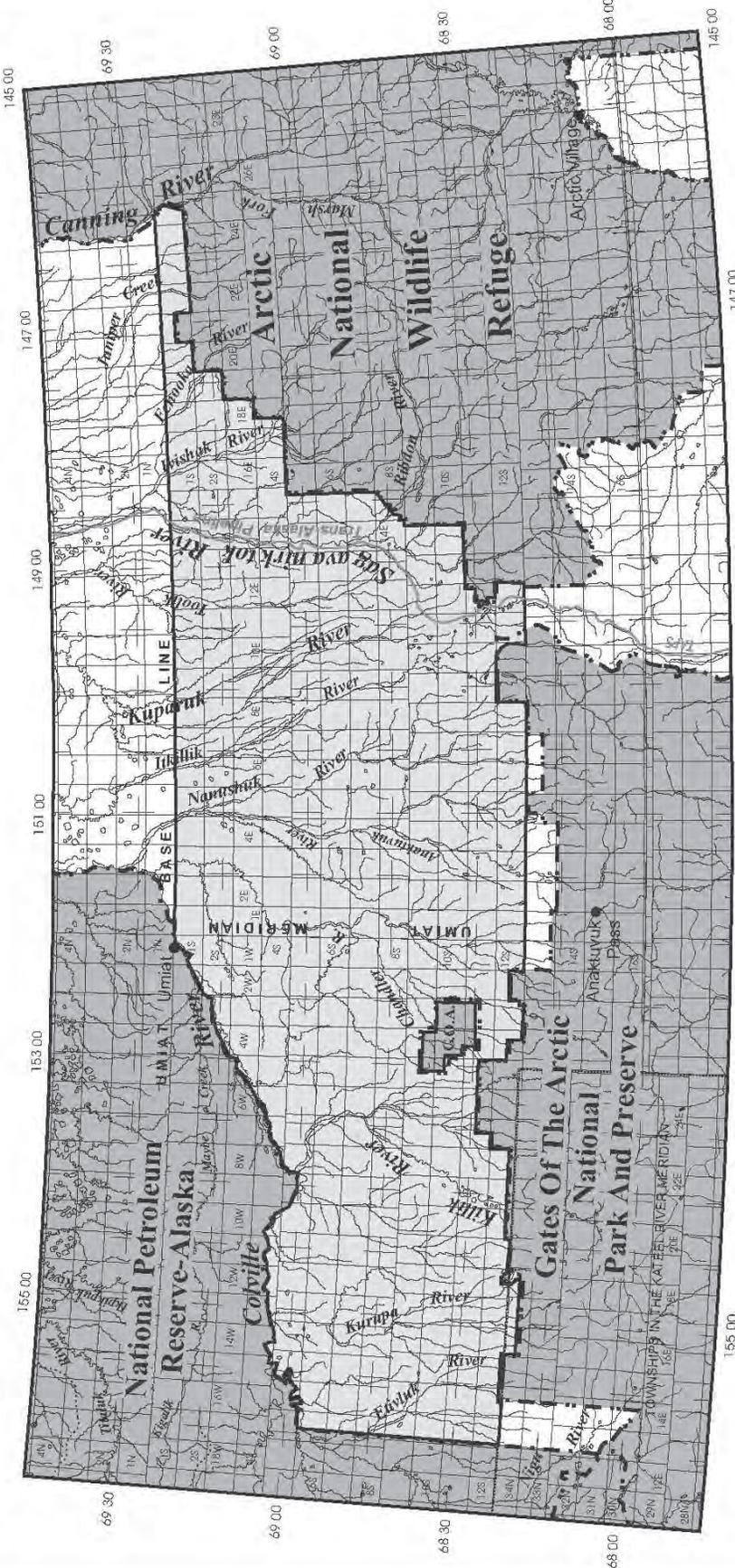
Arctic herd and the Teshekpuk Lake herd utilize parts of the region. Grizzly bears and moose are found along the Colville and Itkillik Rivers. Polar bear dens have been documented in the Colville River delta. Spotted seals haul out on sandbars in the Colville River delta. Arctic fox, wolverine, and wolves 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 and amphidromous fish include Dolly Varden, cisco, whitefish, and salmon. Residents of Nuiqsut and Anaktuvuk Pass use the area for fishing and hunting birds, caribou, and other species.

**Municipalities and Communities:** Portions of the proposed lease 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 lease sale area.

## Municipalities & Communities

Community	Municipal Classification	Population (2007)
North Slope Borough	Home Rule Borough	6,751
Prudhoe Bay/Deadhorse	Unincorporated	3
Nuiqsut	2nd Class City	403
Anaktuvuk Pass	2nd Class City	277

Source: DCCED



STATE OF ALASKA  
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**NORTH SLOPE FOOTHILLS AREA WIDE**

Proposed Sale Area



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# North Slope Foothills Areawide Oil and Gas Lease Sale

## Annually Held in October

**Property Description and Location:** Proposed oil and gas lease sale areas for 2009-2013 in the North Slope Foothills lie between the National Petroleum Reserve-Alaska (NPR-A) 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 lease sale area is approximately 7.6 million acres and is divided into 1,392 tracts ranging from 1,280 to 5,760 acres. Only those state-owned oil and gas mineral estates that are free and unencumbered will be leased.

The best interest finding for the North Slope Foothills was issued in February 2001 and supplemented in January 2002. Approximately nine months before a proposed October lease sale, DNR will call for comments from the public, requesting new information that has become available since the most recent best interest finding. Based on a determination of whether substantial new information has become available that justifies a supplement to the most recent best interest finding, DNR will issue either a supplement to the finding or a "Decision of No New Substantial Information" not later than 90 days before the sale. A new best interest finding process is scheduled to begin in June 2009.

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

**Other Resource Issues:** Four caribou herds utilize the proposed sale area: the Western Arctic herd, the Central Arctic herd, the Teshekpuk Lake herd and the Porcu-

pine herd. Caribou use the proposed sale area as winter range and travel along the river drainages and mountain passes to summer calving areas along the Beaufort Sea coast.

Riparian habitats found within the proposed sale area are important to a variety of species including moose, grizzly bears, and 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 thickets 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. 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.

**Municipalities and Communities:** 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 and an approved district plan. The North Slope Borough has adopted a Comprehensive Plan that may impose restrictions on oil and gas activity in the proposed lease sale area.

## Municipalities & Communities

Community	Municipal Classification	Population (2007)
North Slope Borough	Home Rule Borough	6,751
Prudhoe Bay/Deadhorse	Unincorporated	3
Nuiqsut	2nd Class City	403
Anaktuvuk Pass	2nd Class City	277

Source: DCCED