



February 1, 2013

Phone: (907) 375-8259

**NOTICE OF SALE  
AUGUSTINE ISLAND GEOTHERMAL  
COMPETITIVE BID LEASE SALE NO. 4**

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), is giving notice pursuant to AS 38.05.945(a)(4) that it is offering state land located on the flanks of Mt. Augustine volcano on the island of the same name in the Cook Inlet off Homer, Alaska for geothermal leasing by competitive sealed bid. This notice is available on the State of Alaska Online Public Notice System at <http://notes.state.ak.us/pn>.

Bid opening will begin at 9:00 a.m. on May 8, 2013 at the Dena'ina Civic and Convention Center, located at 600 W. 7<sup>th</sup> Avenue, Anchorage

The Augustine Island geothermal sale area encompasses 65,992 acres of the entire Augustine Island, including some tidelands and adjacent waters within approximately 3 miles of the island, and excludes near shore tidelands of the mainland to the west. The sale area is divided into 26 tracts ranging in size from 2,489 to 2,560 acres. The state owns the land within the proposed disposal area. Augustine Island is located in the Cook Inlet near Kamishak Bay, Alaska.

**Augustine Island Geothermal**

Bidding Method: Cash bonus, sealed bid. A separate bid must be submitted for each tract.  
Minimum Bid: One dollar (\$1.00) per acre.  
Bid Requirements: Bids must be for entire tract acreage. Bids for partial tracts will not be accepted.  
Bid Submission: Bids must be received by DO&G no later than 4:00 p.m. May 6, 2013.  
Bid deposit: 20.0000% of the total bid amount.  
Length of Lease: Primary term of ten (10) years, renewable for an additional 5 years.  
Annual Rental: \$3.00 per acre  
Royalty Rate: 1.75 percent of the gross revenues derived from the production, sale, or use of geothermal resources under lease during the first 10 years immediately following the date the geothermal resource first generates gross income and 3.5 percent of the gross revenues derived from the production, sale or use of geothermal resources under the lease after that first 10 year period.

20 years after the initiation of commercial production and at 10-year intervals thereafter rentals and royalties shall be renegotiated as allowed under AS 38.05.181(e).

**Bidder's Information**

Complete details regarding the lease sale, including the entire sale announcement, instructions to bidders, and tract map are available on the division's website at <http://dog.dnr.alaska.gov/Leasing/GeothermalLeasing.htm>. These documents are also available in the following locations: public libraries in Palmer, Wasilla, Kenai, Ninilchik, Homer, Soldotna, Anchor Point, Seldovia and Tyonek; the Z.J. Loussac Public Library in Anchorage; the Matanuska-Susitna Planning Dept. offices in Palmer; the Kenai Peninsula Borough Planning Dept. offices in Soldotna; and the Anchorage Municipal Clerk's office.

If unable to access this information, contact Allen R. Eddy Jr. by phone at (907) 375-8259 or email [allen.eddy@alaska.gov](mailto:allen.eddy@alaska.gov).

**Written Finding of the Director**

On January 14, 2013 the director of DO&G, with the concurrence of the commissioner of the ADNR, issued a written final finding and decision under AS 38.05.035(e) and 11 AAC 84.700(b). The director determined that the potential benefits of the Augustine

Island geothermal lease sale, as conditioned, outweigh the possible adverse impacts, and that the sale will best serve the interest of the State of Alaska. The finding sets forth the facts, policies, and applicable laws upon which the director based his decision.

**Americans with Disabilities Act Compliance**

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

DNR reserves the right to waive technical defects in this publication.

A handwritten signature in black ink, appearing to read 'W.C. Barron', with a stylized flourish at the end.

W.C. Barron  
Director, Div. of O&G

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