



October 21, 2016

**NOTICE OF SALE  
BEAUFORT SEA AREA WIDE 2016W  
NORTH SLOPE AREA WIDE 2016W and  
NORTH SLOPE FOOTHILLS AREA WIDE 2016  
COMPETITIVE OIL AND GAS LEASE SALES**

The Alaska Department of Natural Resources (DNR), Division of Oil and Gas (DO&G), is giving notice pursuant to AS 38.05.945(a)(4) that it is offering State lands for competitive oil and gas leasing in the Beaufort Sea Areawide 2016W (BSA 2016W), the North Slope Areawide 2016W (NSA 2016W), and the North Slope Foothills Areawide 2016 (FHA 2016) Competitive Oil and Gas Lease Sales. This notice is available on the State of Alaska Online Public Notice System at <http://aws.state.ak.us/OnlinePublicNotices/>.

In-person bid submission – Monday, December 12, 2016 from 9:00 a.m. to 4:00 p.m. at Suite 800 of the Atwood Building, 550 West 7<sup>th</sup> Avenue, Anchorage, Alaska or by mail to DNR Division of Oil & Gas, Attn: Lease Sale, 550 W 7<sup>th</sup> Avenue, Suite 1100, Anchorage, Alaska 99501-3563.

Public bid opening – Wednesday, December 14, 2016 from 9:00 a.m. until all bids are read at Suites 102 and 104 of the Atwood Building, 550 West 7<sup>th</sup> Avenue, Anchorage, Alaska.

**Areawide Lease Sale Locations**

The Beaufort Sea Areawide is divided into 591 tracts ranging in size from 530 to 5,760 acres. These tracts are within the North Slope Borough and consist of state-owned tide and submerged lands in the Beaufort Sea between the Canadian border and Point Barrow. The northern boundary of the Areawide is along the federal Alaska Outer Continental Shelf. The southern fringe of the sale area includes some state-owned uplands lying between the National Petroleum Reserve – Alaska (NPR-A) and the Arctic National Wildlife Refuge (ANWR). Some tracts are jointly owned by the State of Alaska and Arctic Slope Regional Corporation (ASRC).

The North Slope Areawide is divided into 3,137 tracts, ranging in size from 640 to 5,760 acres. Tracts in this sale area are within the North Slope Borough between the Canning River and ANWR on the east and the Colville River and NPR-A on the west. The southern boundary of the sale area is the Umiat Meridian baseline. The Areawide is divided into North and South Sub-regions. Some tracts are jointly owned by the State of Alaska and ASRC.

The North Slope Foothills Areawide is divided into 1,347 tracts ranging in size from 480 to 5,760 acres. These tracts are located between ANWR and NPR-A. The northern boundary of the sale area is the Umiat Meridian baseline and the southern boundary is the Gates of the Arctic National Park and Preserve.

**Sale Documents**

Complete details regarding these lease sales are on the DO&G website at <http://dog.dnr.alaska.gov/Leasing/SaleDocuments.htm>. Sale documents include this Notice of Sale, Sale Announcement and Instructions to Bidders, Attachment A with estimated acreages and deferred tracts, lease forms, mitigation measures, Bid Form for DNR Areawide Oil & Gas Lease Sale, and tract map. These documents are also available in the following locations:

Nuiqsut Trapper School Library, Nunamiut School Library in Anaktuvuk Pass, Harold Kaveolook School Library in Kaktovik, Meade River School Library in Atkasuk, Tuzzy Consortium Library in Barrow, Alaska Resource Library & Information Services and Z.J. Loussac Public Library in Anchorage.

If you are unable to access this information, call the Asset Management Section at (907) 269-8800 or email [dog.leasing@alaska.gov](mailto:dog.leasing@alaska.gov). You may subscribe to lease sale email announcements at <http://list.state.ak.us/mailman/listinfo/DOG.Licensing>.

**Sale Terms and Conditions**

Beaufort Sea Areawide 2016W						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
State/ASRC Tracts	DEFERRED FROM SALE					
BSA 2016W Tracts	Cash Bonus	\$25.00 per acre	16.66667% Fixed	8 Years*	Years 1 – 6: \$10.00 per acre Year 7: \$100.00 per acre** Year 8: \$250.00 per acre**	DOG201509W
*Under provisions of AS 38.05.180(m), state oil and gas leases may receive a one-time lease extension under certain conditions, upon request.						
**Annual rental will be as listed above; except that beginning in the year after the year in which sustained production commences on the lease or the state otherwise determines in its sole discretion, upon request, that the lessee has exercised reasonable diligence in exploring and developing the lease, the annual rental will be \$10.00 per acre or fraction of an acre. In evaluating a request to decrease rental based on the exercise of reasonable diligence, the state will consider the funds expended by the lessee to explore and develop the lease and the types of work completed by or on behalf of the lessee on this lease.						

North Slope Areawide 2016W						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
State/ASRC Tracts	DEFERRED FROM SALE					
North Sub-Region Tracts	Cash Bonus	\$25.00 per acre	16.66667% Fixed	8 Years*	Years 1 – 6: \$10.00 per acre Year 7: \$100.00 per acre** Year 8: \$250.00 per acre**	DOG201509W
South Sub-Region Tracts	Cash Bonus	\$25.00 per acre	12.5% Fixed	8 Years*	Years 1 – 6: \$10.00 per acre Year 7: \$100.00 per acre** Year 8: \$250.00 per acre**	DOG201509W
*Under provisions of AS 38.05.180(m), state oil and gas leases may receive a one-time lease extension under certain conditions, upon request.						
**Annual rental will be as listed above; except that beginning in the year after the year in which sustained production commences on the lease or the state otherwise determines in its sole discretion, upon request, that the lessee has exercised reasonable diligence in exploring and developing the lease, the annual rental will be \$10.00 per acre or fraction of an acre. In evaluating a request to decrease rental based on the exercise of reasonable diligence, the state will consider the funds expended by the lessee to explore and develop the lease and the types of work completed by or on behalf of the lessee on this lease.						

North Slope Foothills Areawide 2016						
Lease Sale Tracts	Bid Variable	Minimum Bid	Royalty Rate	Primary Lease Term	Annual Rental Rate	Lease Form
FHA 2016 Tracts	Cash Bonus	\$10.00 per acre	12.5% Fixed	10 Years	Year 1: \$1.00 per acre Year 2: \$1.50 per acre Year 3: \$2.00 per acre Year 4: \$2.50 per acre Years 5+: \$3.00/acre	DOG201503

### **Tracts Deferred or Deleted from Sale**

Deferred or deleted lease sale tracts will not be offered for lease in this sale, but may be included in future lease sales. DO&G reserves the right to delete or defer any additional acreage or tracts from the sale at any time prior to issuance of the lease. Currently deferred or deleted lease sale tracts are listed on Attachment A of the Sale Announcement and Instructions to Bidders. Check <http://dog.dnr.alaska.gov/Leasing/SaleDocuments.htm> for updated Attachment A documents.

### **Best Interest Findings to Offer Oil and Gas Leases in Areawide Sales**

These lease sales are being held under AS 38.05.035(e) and AS 38.05.180. Under these statutes, land that is subject to a best interest finding issued within the previous 10 years may be offered for oil and gas leasing. The finding sets forth the facts, policies, and applicable laws and regulations upon which the Director based his determination that oil and gas lease sales in an Areawide sale will best serve the interests of the State. Every year the Director requests substantial new information that may justify a supplement to the finding and issues a response to information received. Best interest finding documents and supplements for these sales are available online at <http://dog.dnr.alaska.gov/Leasing/BestInterestFindings.htm>. If you are unable to access this information, call the Asset Management Section at (907) 269-8800 or email [dog.bif@alaska.gov](mailto:dog.bif@alaska.gov).

### **Americans with Disabilities Act Compliance**

The State of Alaska, DNR, DO&G complies with Title I of the Americans with Disabilities Act 1990. This publication will be made available in alternative communication formats upon request. Please call (907) 269-8800 or email [dog.leasing@alaska.gov](mailto:dog.leasing@alaska.gov) to make any necessary arrangements.



James B. Beckham  
Acting Director