

STATE OF ALASKA

FIVE-YEAR PROGRAM OF PROPOSED OIL AND GAS LEASE SALES

January 2013



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



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Photo by Aaron Weaver, Division of Oil and Gas**

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STATE OF ALASKA

FIVE-YEAR PROGRAM OF PROPOSED OIL AND GAS LEASE SALES

**With Reports On
Exploration Licensing
Geothermal Lease Sales
and Financial Incentives
and Tax Credit Programs**

**Sean Parnell,
Governor**

**Daniel S. Sullivan,
Commissioner
Department of Natural Resources**

January 2013

Table of Contents

| | |
|--|----|
| Introduction | 7 |
| Five-Year Program of Proposed Oil & Gas Lease Sales | 8 |
| Areawide Leasing | 8 |
| Best Interest Findings | 9 |
| Best Interest Finding Schedule | 10 |
| Lease Sale Process With New Best Interest Finding | 12 |
| Annual Lease Sale Process (between scheduled best interest findings) | 13 |
| Alaska Peninsula Areawide Oil and Gas Lease Sale | 14 |
| Cook Inlet Areawide Oil and Gas Lease Sale | 16 |
| Beaufort Sea Areawide Oil and Gas Lease Sale | 18 |
| North Slope Areawide Oil and Gas Lease Sale | 24 |
| North Slope Foothills Areawide Oil and Gas Lease Sale | 26 |
| Recent Areawide Oil and Gas Lease Sale Results | 29 |
| Alaska Peninsula Areawide 2012 | 29 |
| Beaufort Sea Areawide 2012 | 30 |
| Cook Inlet Areawide 2012 | 34 |
| North Slope Areawide 2012 | 36 |
| North Slope Foothills Areawide 2012 | 40 |
| Summary of State Competitive Lease Sales 1959-2012 | 42 |
| State Competitive Sale Areas 1959-2012 | 46 |
| Exploration Licensing | 50 |
| Geothermal Leasing | 52 |
| Qualifications for Bidding | 54 |
| Summary of Oil and Gas Incentives | 55 |

Introduction

In Fiscal Year 2012, approximately 93.4 percent of the State of Alaska's income was generated from a process that begins with the work done within the Division of Oil and Gas, including the state's oil and gas lease sales.¹

Article VIII, Section 1 of the Alaska Constitution states that "[i]t is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." Section 2 further states that "[t]he legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the state, including land and waters for the maximum benefit of its people."

Although the state's oil and gas leasing program's purpose is to enable and manage oil and gas development on state lands and realize the subsequent economic benefits², the leasing program itself has been a significant revenue source.

There were five lease sales in 2012, resulting in an estimated \$21 million in bonus-bid income to the state³. A report on the final results of the 2011 lease sales and preliminary results of the 2012 lease sales are included in this report.

Alaska State Statutes express the Legislature's opinion that "the people of Alaska have an interest in the development of the state's oil and gas resources" and have in AS 38.05.180 tasked the commissioner of the Department of Natural Resources (DNR) with every year preparing a five-year proposed oil and gas leasing program.

The Five-Year Oil and Gas Leasing Program provides a stable and predictable schedule of proposed lease sales, which helps promote the further development of Alaska's petroleum resources. This program has become a reliable way for the petroleum industry to plan for exploration and development expenditures. Business and labor use the program to prepare for resultant economic opportunities.

The program is annually updated and is available on the Division of Oil and Gas website. This document presents DNR's proposed lease sales for 2013 through 2017.



Photo: DOG Staff

Central Gas Processing Facility, North Slope.

DNR has identified five areas of moderate to high potential for oil and gas development and designated these areas for leasing through competitive bid sales. This report contains a brief description of the process leading up to a lease sale, a brief description of each sale area, and the program of sales for the next five years. A list of all state oil and gas lease sales held since 1959 is listed in the "Summary of State Competitive Lease Sales" starting on page 42.

A total of 25 proposed areawide lease sales are scheduled over the next five years, with one sale scheduled annually for each of the following areas: Alaska Peninsula, Cook Inlet, Beaufort Sea, North Slope, and North Slope Foothills. Fact sheets and maps describing the proposed sale areas begin on Page 14.

In addition to oil and gas lease sales, DNR authorizes and manages the exploration licensing program for areas outside the areawide sale boundaries. A summary of the program and the status of exploration licensing areas begin on page 50.

DNR is also responsible for geothermal leasing. Information about this program can be found on page 52.

¹FY2012 taxes, royalty, settlement, rental, federal share, and bonus revenue as percentage of general fund unrestricted revenue.

²Preliminary results are subject to title and administrative review, and may change significantly.

³As a result of oil and gas revenue from bonus bids, lease rentals, and royalty payments (including federal shares), and settlements during Fiscal Year 2012, approximately \$2 billion was deposited into the general fund and \$0.9 billion into the Permanent Fund and School Fund.

Five-Year Program of Proposed Oil & Gas Lease Sales

Five-Year Program of Oil and Gas Areawide Sales 2013-2017

| Sale Area | Annually Held In |
|--------------------------------|------------------|
| Alaska Peninsula Areawide | Spring |
| Cook Inlet Areawide | Spring |
| Beaufort Sea Areawide | Fall |
| North Slope Areawide | Fall |
| North Slope Foothills Areawide | Fall |

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

The best interest finding issued for each sale area allows DNR to conduct areawide lease sales for up to ten years without repeating the best interest finding process each year. However, before holding a sale in the years following the issuance of the finding, DNR must determine whether a supplement to the finding is required.

DNR annually calls for comments from the public before a proposed lease sale, requesting substantial new

information, such as reports, data, and research that has become available over the past year.

Based on a determination of whether or not the information justifies a supplement, DNR issues either a “Decision of New Substantial Information” and a supplement to the finding, or a “Decision of No New Substantial Information” at least 90 days before the lease sale.

Several months before a scheduled sale, DNR prepares a geologic and economic evaluation of the sale area to determine the bidding method, leasing method, and the lease terms for the sale.

Areawide Leasing

Every year, the state offers for lease all available state acreage within five specific geographic regions with known hydrocarbon potential. Tracts in these *areawide lease sales* are offered by competitive bidding, as required by statute.

The areawide leasing system was designed to achieve stability and predictability in the oil and gas leasing program, and in response to industry’s request for more frequent sales. The system makes it easier for companies to include Alaska in their exploration strategies and budgets, which most of the time happens years in advance. It is also cost-effective for the state.

A regular schedule of areawide lease sales allows for quick turnaround of leases that have expired, terminated, or contracted out of units, for reoffer in the next

annual sale. The result is a shortened time between leasing and exploration and, if successful, development. The annual lease sale model also allows smaller companies and individuals to acquire leases in areas of less interest to the major oil companies. The state has conducted annual areawide sales each year since 1998, totaling 61 sales.¹⁾

Administrative Process

Before a sale, DNR generally divides each lease sale area into tracts, without determining the details of the state’s ownership interest in each tract. After a lease sale, DNR verifies state title and land status only for the acreage within tracts that receive bids. This process eliminates determining ownership status for acreage that did not receive bids. A sale tract may contain land that the state

cannot legally lease (e.g., land that is within an existing lease or is federal, Native, or private land). For bidding purposes, DNR assigns an estimated acreage figure to each tract, and the per acre bonus bid reflects the assigned acreage. The actual acreage available may differ, depending on the title and land status within each tract. Acreage not owned by the state, already leased, clouded by title claims, withdrawn, or otherwise unavailable for leasing is excluded from the lease.

As a service to potential bidders, DNR publishes area-wide tract maps showing generalized land status. However, it is the bidder's responsibility to determine availability of the land within a tract before bidding. Current or more detailed title or land status for a particular tract can be obtained from state land records at DNR's Public Information Center, located in Anchorage at 550 West 7th Ave., Suite 1260; phone (907) 269-8400; or the DNR Web site at <http://dnr.alaska.gov/Landrecords/>.

DNR sends out a public notice for the competitive lease sale 45 to 90 days before the sale. Sealed bids must be received by a specified date as stated in the Instructions to Bidders. Bids received are opened and read in public at the sale location, and apparent high bidders are announced.

Once state title to the tracts receiving bids is verified and the acreage calculated, the bonus bid amounts are adjusted and the lease is issued based on the actual available acreage. Depending on the number of tracts receiving bids and the complexity of the land ownership, it may take several months following the lease sale before the leases are issued.

Leasing Methods

Alaska has several leasing method options designed to encourage oil and gas exploration and maximize state revenue, as described in AS 38.05.180(f) and (w). These methods include combinations of fixed and variable bonus bids, royalty shares, and net profit shares. Minimum bids for state leases vary but have recently ranged from \$5 to \$25 per acre. Fixed royalty rates are generally 12 1/2 percent or 16 2/3 percent, although some have been as high as 20 percent. A sliding scale royalty has also been used. Primary lease terms are initially set between five and ten years.

¹⁾ 1998 to 2012 areawide sales: 15 were in the North Slope, 14 in Cook Inlet (added in 1999), 13 in Beaufort Sea (added in 2000), 12 in North Slope Foothills (added in 2001), and 7 in Alaska Peninsula (added in 2005).

Best Interest Findings

Before disposing of an interest in state land, including in an oil and gas lease sale, DNR must prepare a written finding that determines if the sale is in the best interest of the state.

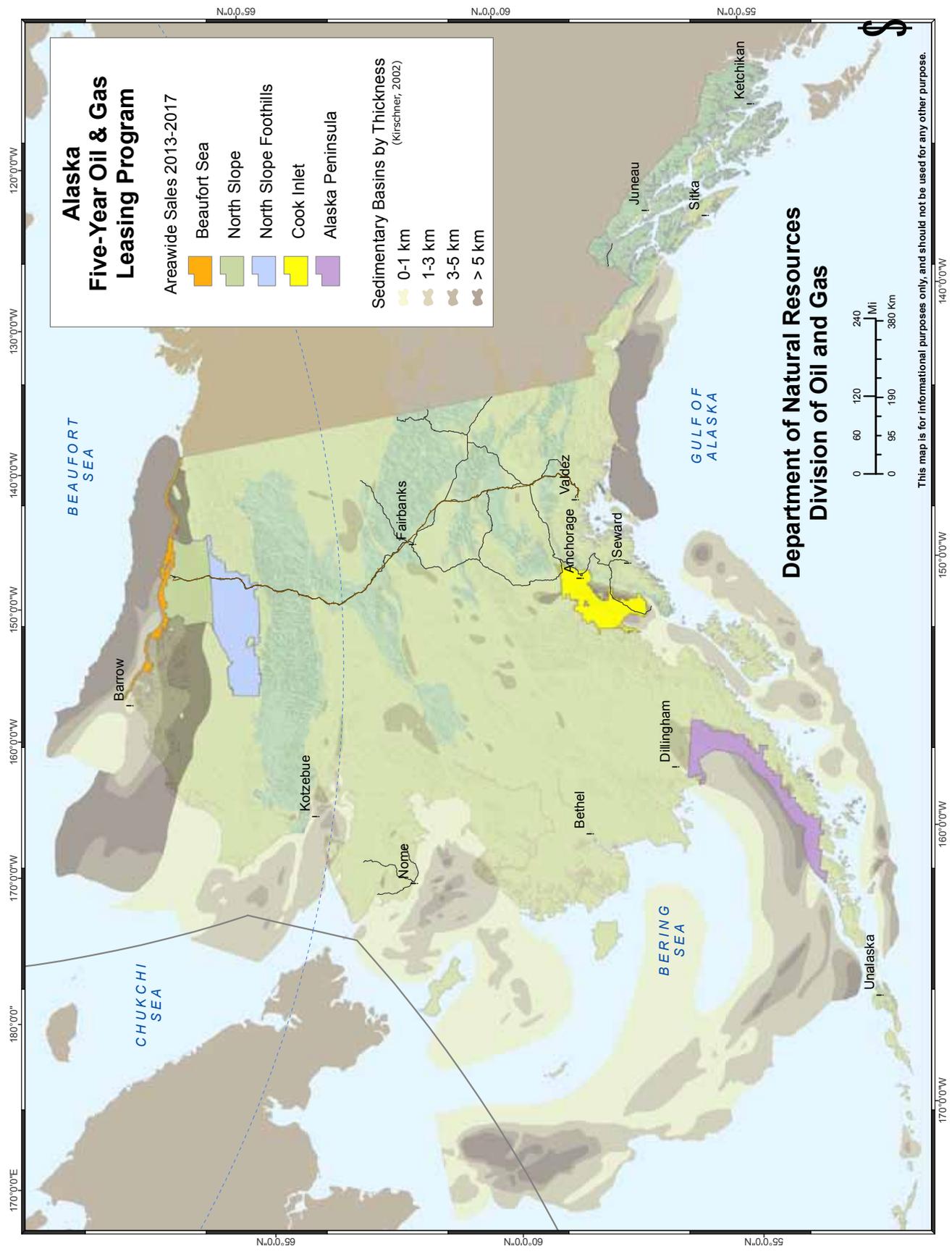
If a finding determines it is in the state's best interest to hold an oil and gas lease sale in a particular area, DNR may conduct lease sales in that area for ten years without having to repeat the entire best interest finding process. However, before each subsequent sale, DNR calls for substantial new information from the public and determines whether new information received justifies a supplement to the most recent best interest finding.

The development of a new best interest finding is a lengthy process that begins years before a sale. The process involves the participation of state agencies, with DNR serving as the lead, along with federal agencies,

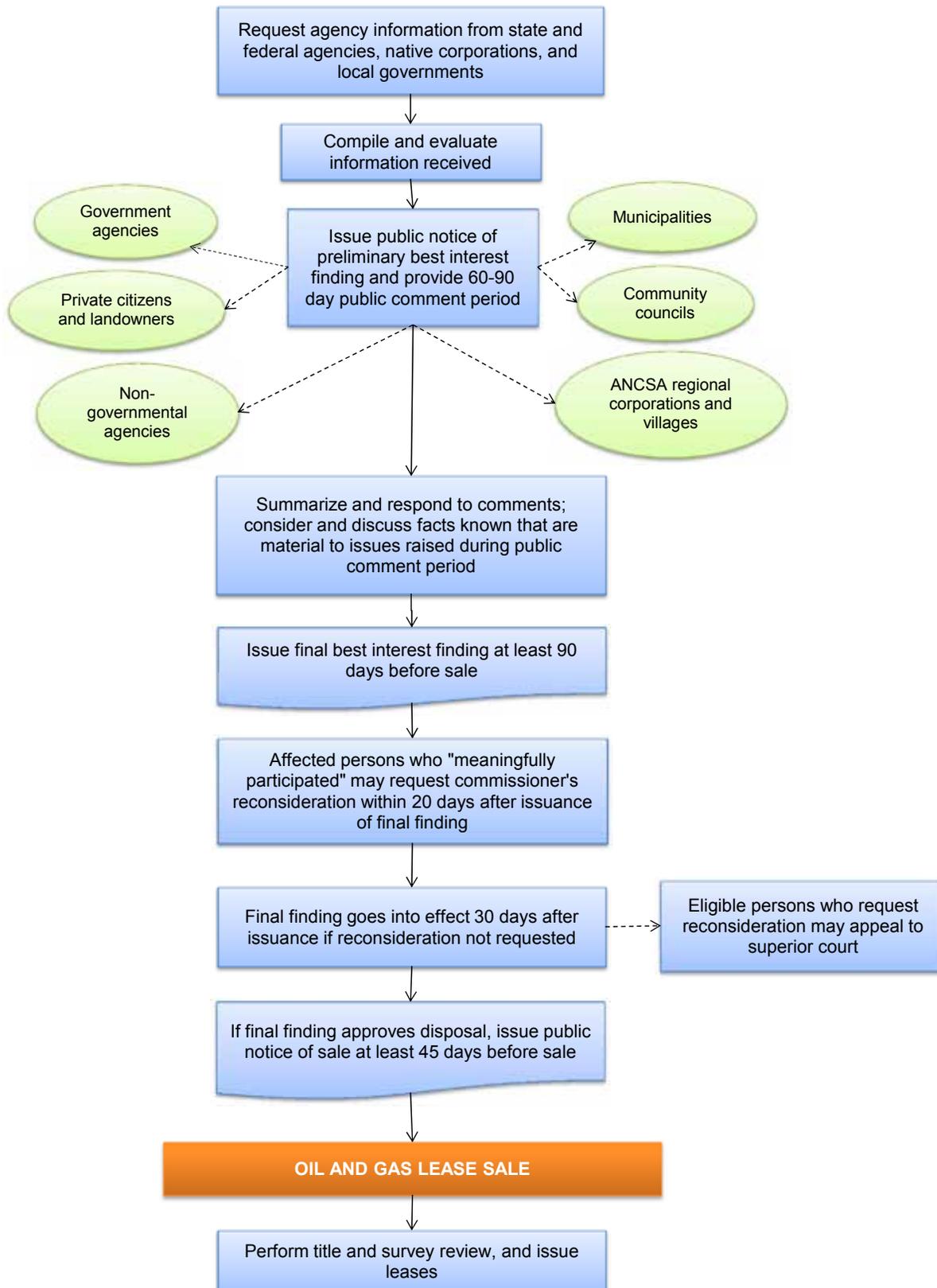
Native corporations, local governments, non-governmental agencies, industry, and the public.

In the written finding for an oil and gas lease sale, DNR considers and discusses the facts that are known at the time of preparation of the finding and that are material to the following: property descriptions, petroleum potential, fish and wildlife species and their habitats, current and projected uses, governmental powers to regulate oil and gas, reasonably foreseeable cumulative effects, lease stipulations and mitigation measures, methods most likely to be used to transport oil or gas, reasonably foreseeable effects on municipalities and communities, bidding methods, and the basis for the finding that, on balance, leasing the area is in the state's best interest.

A preliminary finding is made available to the public

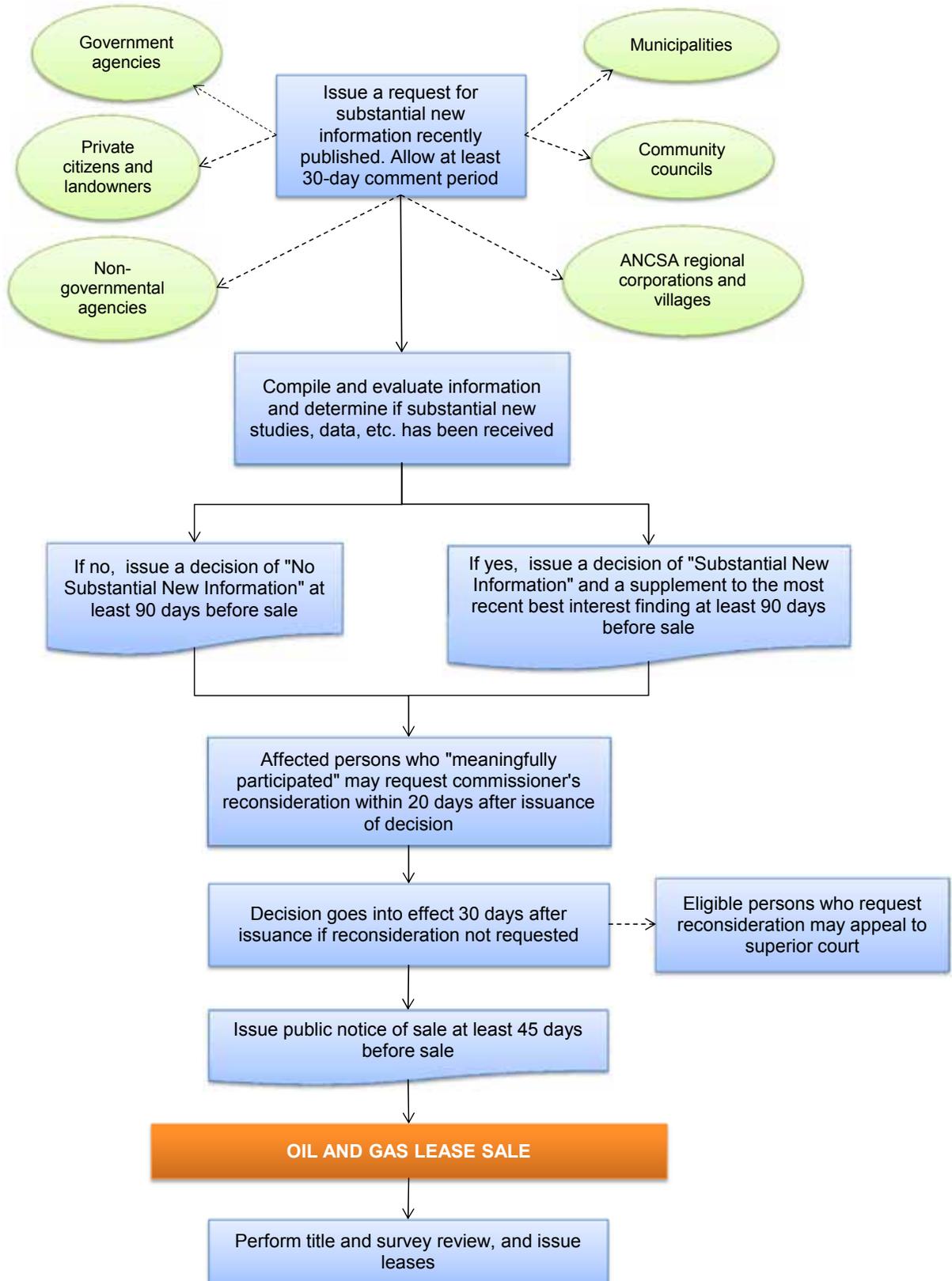


Lease Sale Process With New Best Interest Finding



Annual Lease Sale Process

(between scheduled best interest findings)



Alaska Peninsula Areawide Oil and Gas Lease Sale

Annually Held in Spring

Property Description and Location: The proposed 2013-2017 Alaska Peninsula oil and gas lease sale area is located on the north side of the Alaska Peninsula. It stretches from the Nushagak Peninsula in the north, then south and west to the vicinity of Cold Bay. The lease sale area covers about 5.8 million acres, and is divided into 1,047 tracts ranging in size from 1,280 to 5,760 acres.

Approximately 1.75 million acres of the gross sale area are offshore. The lease sale area contains tracts in which the state owns both the land estate and the mineral estate; and tracts where the state owns the mineral estate while the land estate may be privately owned or owned by a municipality. The most recent best interest finding for the Alaska Peninsula was issued on July 25, 2005.

On October 12, 2012, DNR called for substantial new information that has become available over the past year. Based on a determination of whether substantial new information justifies a supplement to the most recent best interest finding, DNR will issue either a “Decision of New Substantial Information” and a supplement to the finding or a “Decision of No New Substantial Information” at least 90 days before a proposed Spring 2013 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 state’s most productive fish and wildlife populations.

A wide variety of mammals inhabit the region including caribou, brown bear, moose, Pacific walrus, beluga whale, gray whale, Steller sea lion, harbor seal, and sea otter . The Steller sea lion is listed as threatened under the federal Endangered Species Act, and several established rookery sites and critical habitat areas exist within Bristol Bay. The spotted seal is also listed as threatened under the Endangered Species act. No critical habitat is established for the spotted seal since their southern distinct population segment occurs outside the United States. The southwest Alaska Distinct Population Segment of the northern sea otter is listed as threatened under the federal Endangered Species Act, and critical

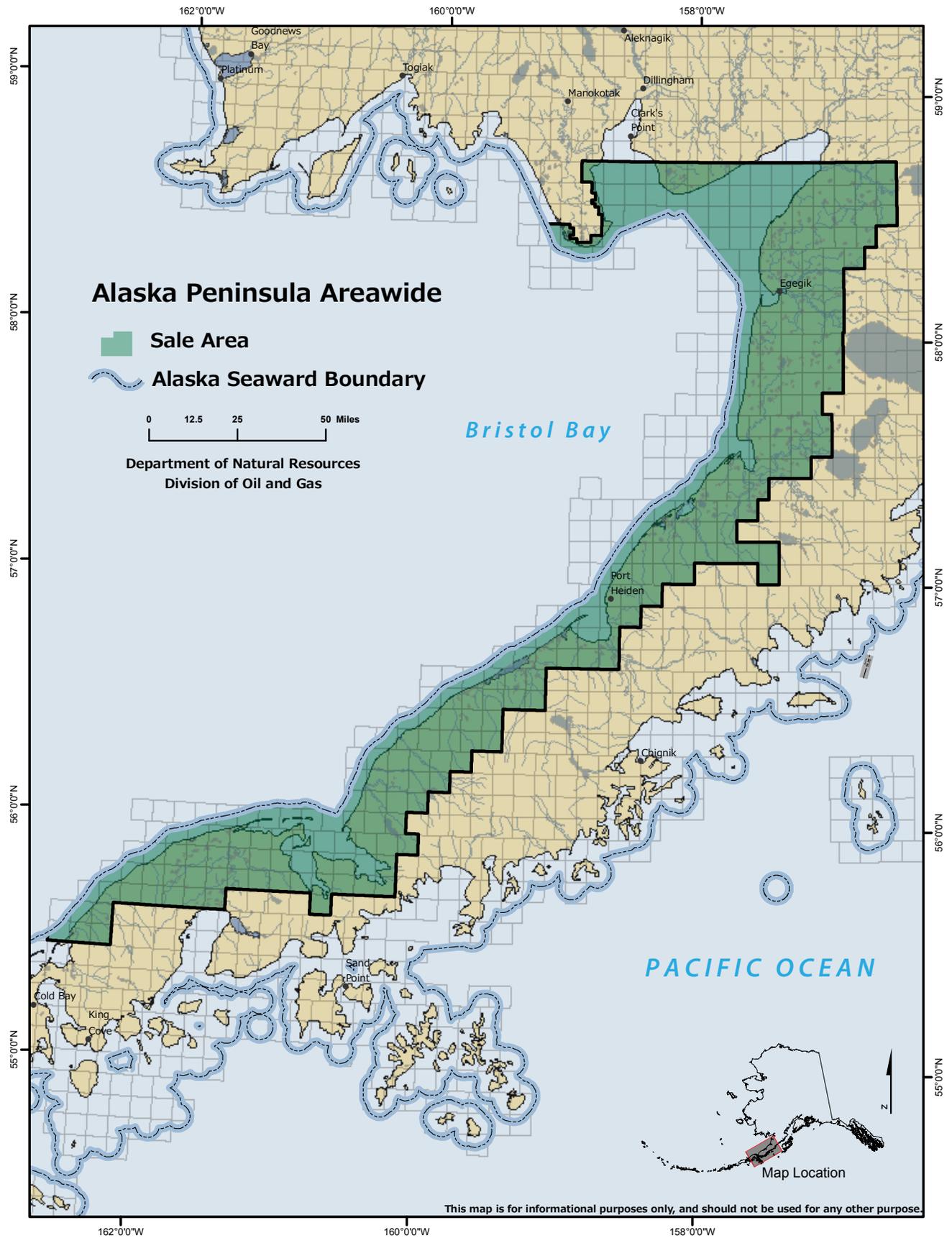
habitat is designated in the Port Moller and Herendeen Bay area. The area provides staging, feeding, and nesting habitat for hundreds of species of shorebirds and waterfowl, numbering in the millions of birds. All five species of Pacific salmon occur in the area, as well as Dolly Varden, rainbow trout, Arctic grayling, burbot, and other fishes. Fish and wildlife populations in the area are extensively harvested for subsistence and sport use, and significantly contribute 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.

Municipalities & Communities

| Community | Population (2010) |
|--------------------------|-------------------|
| Aleutians East Borough | 3,141 |
| Bristol Bay Borough | 997 |
| Lake & Peninsula Borough | 1,631 |
| Dillingham | 2,329 |
| Cold Bay | 108 |
| Port Heiden | 102 |
| Egegik | 109 |
| Pilot Point | 68 |
| Naknek | 544 |
| King Salmon | 374 |
| South Naknek | 79 |
| Nelson Lagoon | 52 |
| Ugashik | 12 |

Source: http://www.commerce.state.ak.us/lea/commdb/CF_BLOCK.htm



Cook Inlet Areawide Oil and Gas Lease Sale

Annually Held in Spring

Property Description and Location: The 2013-2017 Cook Inlet Areawide oil and gas lease sale area consists of state-owned uplands in 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 Arm and Turnagain Arm 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 area is about 4.2 million acres and is divided into 815 tracts ranging from 640 to 5,760 acres.

A best interest finding for Cook Inlet was issued on January 20, 2009. On October 12, 2012, DNR called for substantial new information that has become available over the past year. 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 “Decision of New Substantial Information” and a supplement to the finding or a “Decision of No New Substantial Information” at least 90 days before a proposed Spring 2013 lease sale.

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

Other Resources: The Cook Inlet region is extensively used for recreation, subsistence and sport fishing, hunting and gathering, and commercial and personal use fishing. Five species of Pacific salmon are commercially fished throughout Cook Inlet. Numerous important anadromous fish streams are within the 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). The southwest Alaska Distinct Population Segment of the northern sea otter is listed as threatened under the federal Endangered Species Act, and critical habitat is designated around Chisik Island and Tuxedni Bay. On April 8, 2011, the National Marine Fisheries Ser-

vice designated critical habitat for beluga whales in the upper portions of Cook Inlet, Turnagain Arm and Knik Arm and in the middle of Cook Inlet, along the western shore of lower Cook Inlet, and Kachemak Bay along the eastern shore of Cook Inlet near Homer.

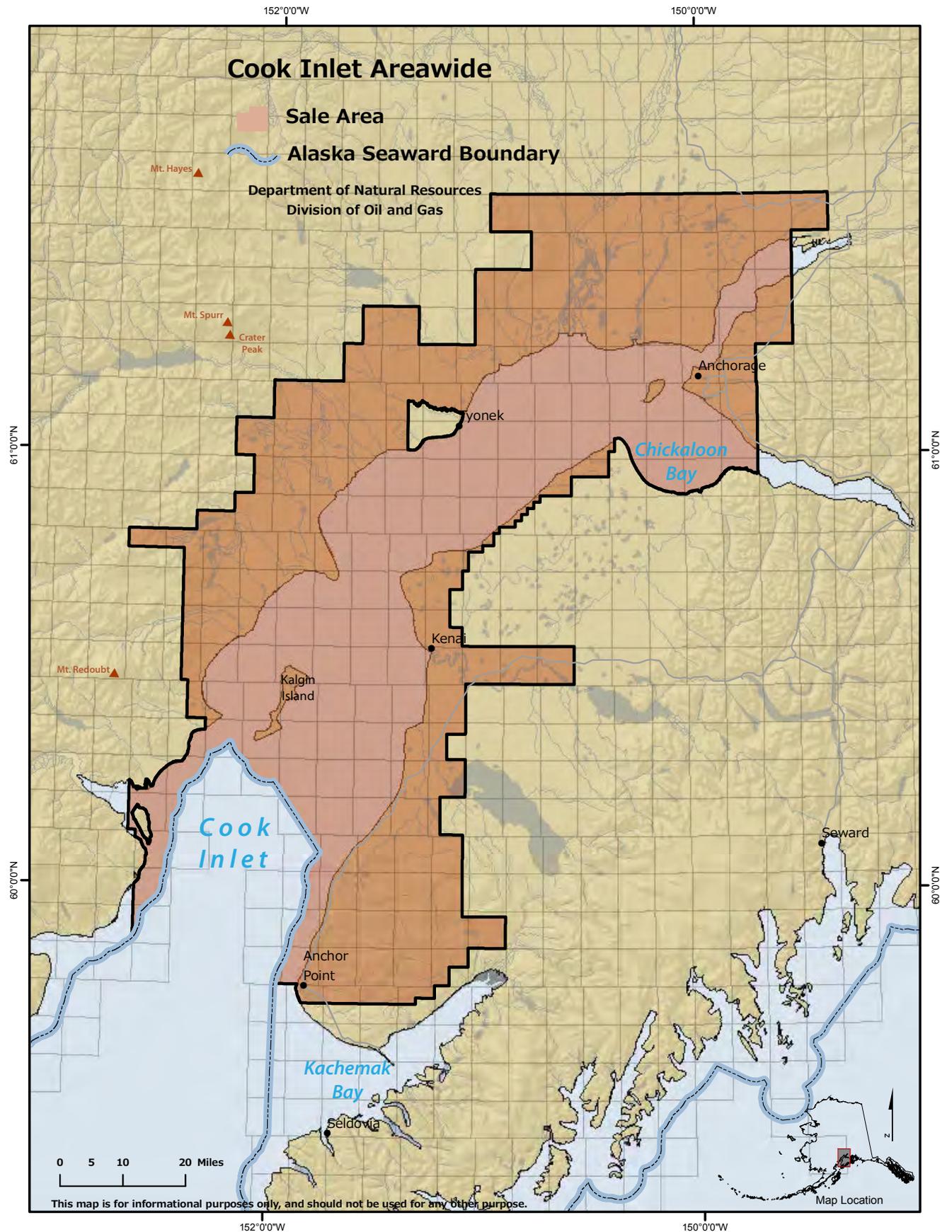
A number of state and federal wildlife refuges, critical habitat areas, recreation areas, and parks exist within or near the lease sale area. These areas encompass important fish and wildlife habitat, and have significant scenic and recreational value.

Municipalities and Communities: The sale area is within the boundaries of the Matanuska-Susitna Borough, the Municipality of Anchorage, and the Kenai Peninsula Borough.

Cook Inlet Municipalities & Communities

| Community | Population (2010) |
|---------------------------|------------------------------------|
| Municipality of Anchorage | 291,826 |
| Kenai Peninsula Borough | 55,400 |
| Matanuska-Susitna Borough | 88,995 |
| Kenai | 7,100 |
| Palmer | 5,937 |
| Homer | 5,003 |
| Seldovia | 255 |
| Soldotna | 4,163 |
| Wasilla | 7,831 |
| Houston | 1,912 |
| Anchor Point | 1,930 |
| Big Lake | 3,350 |
| Clam Gulch | 176 |
| Cohoe | 1,364 |
| Eklutna | not defined as community in census |
| Happy Valley | 593 |
| Hope | 192 |
| Kalifornsky | 7,850 |
| Kasilof | 549 |
| Knik-Fairview | 14,923 |
| Nanwalek | 254 |
| Nikiski | 4,493 |
| Nikolaevsk | 318 |
| Port Graham | 177 |
| Ridgeway | 2,022 |
| Salamatof | 980 |
| Seldovia | 165 |
| Village | |
| Sterling | 5,617 |
| Tyonek | 171 |

Source: http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm



Beaufort Sea Areawide Oil and Gas Lease Sale

Annually Held in Fall

Property Description and Location: The 2013-2017 oil and gas lease sale area of the Beaufort Sea consists of state-owned tide and submerged lands located along the Beaufort Sea coast, between the U.S.-Canada border and Point Barrow. The lease sale area also includes some coastal uplands between the Canning and Colville Rivers.

The lease sale area encompasses about 2 million acres divided into 576 tracts, ranging in size from 640 to 5,760 acres.

A new best interest finding for the Beaufort Sea was issued on November 9, 2009. On February 17, 2012, DNR called for comments from the public requesting substantial new information that had come available since the most recent best interest finding. No appropriate information was received and DNR issued a "Decision of No New Substantial Information" on July 13, 2012. The Beaufort Sea 2012 lease sale was held on November 7, 2012. A request for new information will be publicized in February 2013.

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

Other Resources: The marine and coastal environments along the Beaufort Sea lease sale area provide denning habitat for polar bears and pupping habitat for ringed seals. Bowhead and beluga whales migrate through the lease sale area during spring and fall. Numerous species of waterfowl, shorebirds, and seabirds migrate along the Beaufort Sea and nest, stage, and molt

in the lagoon areas. Nearshore waters provide habitat for many fish species. Caribou, brown bear, and moose are found along major rivers. Residents of Barrow, Nuiqsut, and Kaktovik use the area's fish and wildlife resources for subsistence; fall and spring bowhead whale hunts are especially important.

Four species found in the lease sale area are listed as threatened or endangered under the federal Endangered Species Act: polar bear (threatened), spectacled eider (threatened), Steller's eider (threatened), and bowhead whale (endangered).

Bowhead whales are classified as depleted under the Marine Mammal Protection Act. However, NMFS has not designated bowhead whale critical habitat under the Endangered Species Act because "the decline and reason for listing the species was overexploitation by commercial whaling, and habitat issues were not a factor in the decline; there is no indication that habitat degradation is having any negative impact on the increasing population in the present; the population is abundant and increasing; and existing laws and practices adequately protect the species and its habitat."

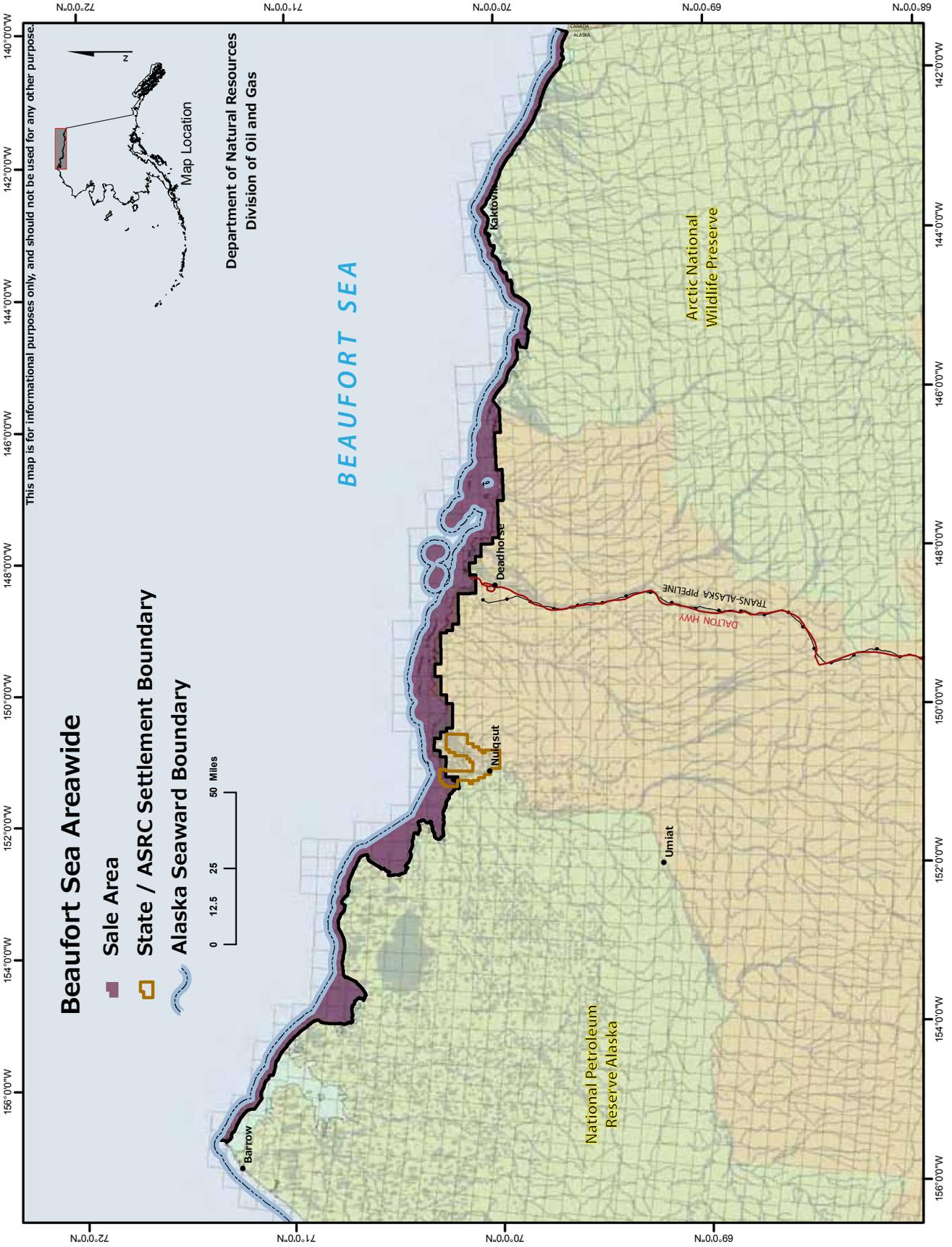
The USFWS designated 187,157 square miles as polar bear critical habitat, including sea ice in the Beaufort Sea and denning habitat on the North Slope.

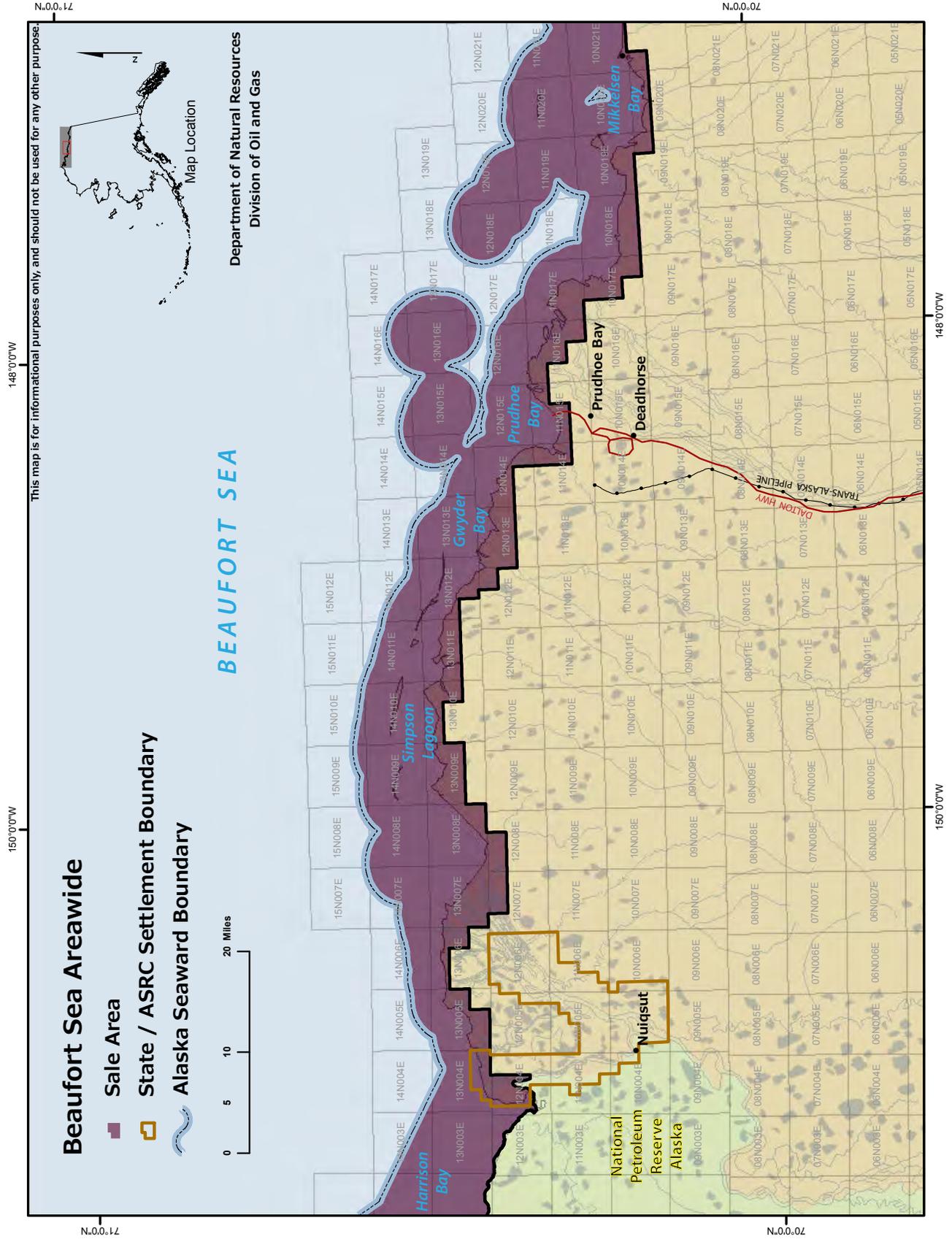
Municipalities and Communities: The North Slope Borough's comprehensive plan and land management regulations may impose restrictions on oil and gas activity in the lease sale area.

Municipalities & Communities

| Community | Population (2010) |
|-----------------------|-------------------|
| North Slope Borough | 9,430 |
| Barrow | 4,212 |
| Atkasuk | 233 |
| Kaktovik | 239 |
| Prudhoe Bay/Deadhorse | 2,174 |
| Nuiqsut | 402 |

Source: http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm



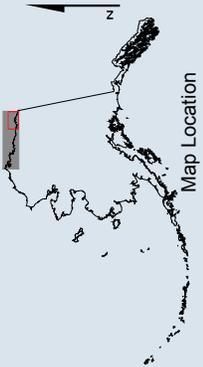


This map is for informational purposes only, and should not be used for any other purpose.

Beaufort Sea Area-wide

■ Sale Area

~ Alaska Seaward Boundary



Department of Natural Resources
Division of Oil and Gas

BEAUFORT SEA





Badami-Point Thomson ice road.

Photo: Aaron Weaver, DOG



Alpine control room.

Photo: Lori Yares, DOG



Photo: Kyle Smith, DOG
Great Bear Petroleum's Merak #1 well, one of the company's two 2012 exploration wells targeting shale plays.

North Slope Areawide Oil and Gas Lease Sale

Annually Held in Fall

Property Description and Location: The 2013-2017 North Slope Areawide oil and gas lease sale area consists of state-owned lands between the National Petroleum Reserve-Alaska (NPR-A) and the Arctic National Wildlife Refuge (ANWR), and from the Beaufort Sea in the north to the Umiat Meridian Base-line in the south.

The gross lease sale area is approximately 5.1 million acres and is divided into 1,225 tracts. In 2011, the Division of Oil and Gas for the first time subdivided some tracts into smaller parcels to encourage timely development of leases. This subdivision of leases was continued in the 2012 lease sale.

The most recent best interest finding for the North Slope was issued on July 15, 2008. On February 14, 2012, DNR called for comments from the public requesting new information that has become available since the most recent best interest finding. No appropriate information was received and on July 13, 2012, DNR issued a "Decision of No New Substantial Information." The North Slope 2012W lease sale was held on November 7, 2012. A request for new information will be publicized in February 2013.

Petroleum Potential: Petroleum potential in the area is considered low to moderate with the potential generally increasing from south to north.

Other Resources: The lease sale area supports a variety of wildlife. Caribou from the Central Arctic herd

and the Teshekpuk Lake herd use parts of the region. Brown 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 resident fish include Arctic grayling, burbot, and whitefish. Anadromous and amphidromous fish include Dolly Varden, Arctic Char, cisco, whitefish, and salmon.

Residents of Nuiqsut and Anaktuvuk Pass use the area for fishing and hunting birds, caribou, and other species.

Four species found in the lease sale area are listed as threatened or endangered under the federal Endangered Species Act: polar bear (threatened), spectacled eider (threatened), and Steller's eider (threatened).

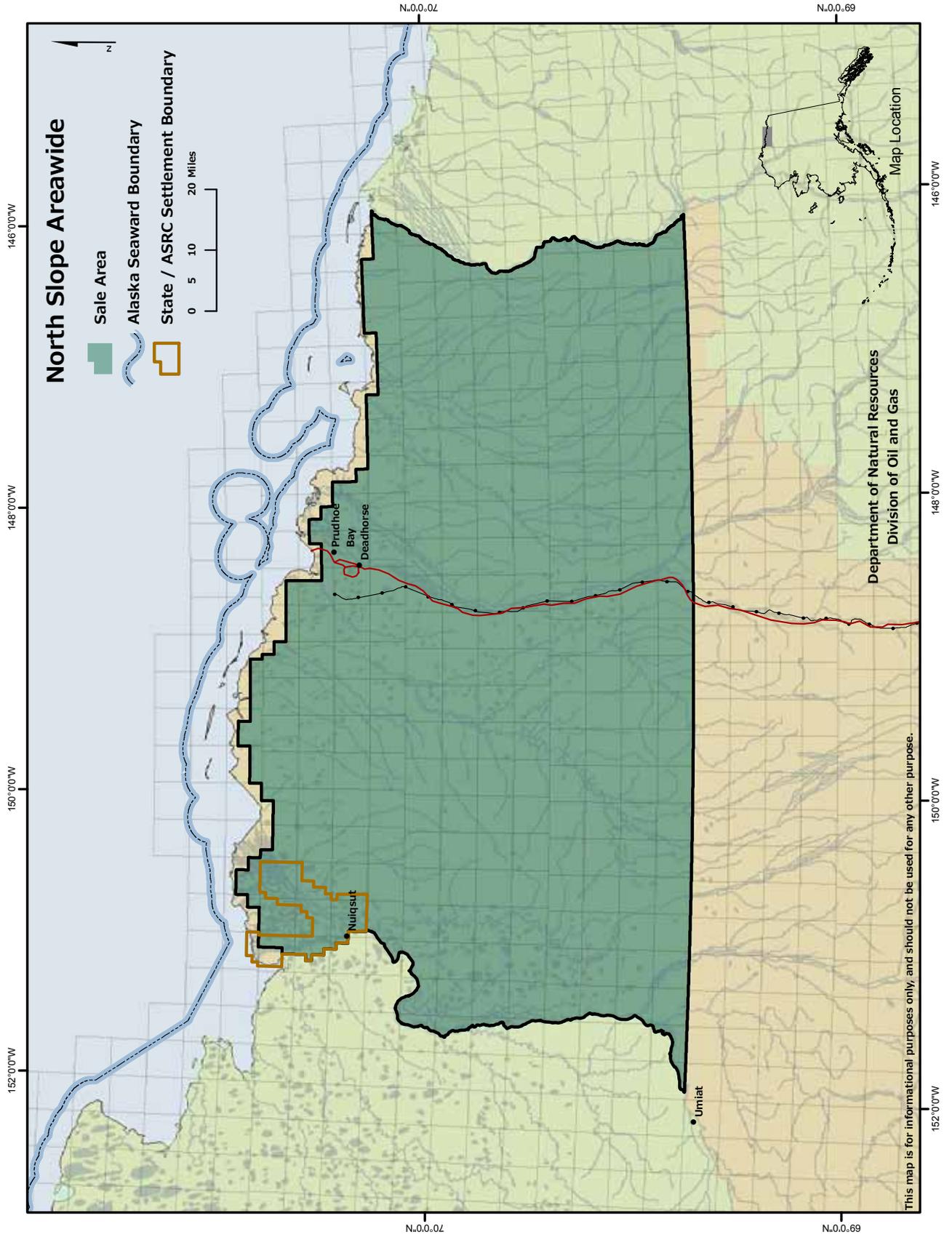
The USFWS designated 187,157 square miles as polar bear critical habitat, including sea ice in the Beaufort Sea and denning habitat on the North Slope.

Municipalities and Communities: The North Slope Borough has adopted a comprehensive plan and land management regulations that may impose restrictions on oil and gas activity in the lease sale area.

Municipalities & Communities

| Community | Population (2010) |
|-----------------------|-------------------|
| North Slope Borough | 9,430 |
| Prudhoe Bay/Deadhorse | 2,174 |
| Nuiqsut | 402 |
| Anaktuvuk Pass | 324 |

Source: http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm



North Slope Foothills Areawide Oil and Gas Lease Sale

Annually Held in Fall

Property Description and Location: The 2013-2017 North Slope Foothills Areawide oil and gas lease sale area lies 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 1,347 tracts ranging from 1,280 to 5,760 acres.

The most recent best interest finding for the North Slope Foothills was issued May 26, 2011. On February 14, 2012, DNR requested new information that had become available since the most recent best interest finding. No appropriate information was received and on July 13, 2012, DNR issued a "Decision of No New Substantial Information." The North Slope Foothills 2012 lease sale was held on November 7, 2012. A request for new information will be publicized in February 2013.

Petroleum Potential: Petroleum potential in the area is considered relatively high for gas, and relatively low for oil.

Other Resources: Four caribou herds use the lease sale area: the Western Arctic herd, the Central Arctic herd, the Teshekpuk Lake herd, and the Porcupine herd. Caribou use the lease 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 lease sale area are important to a variety of species including moose, brown bears, muskoxen, wolves, furbearers, and numerous species of birds. Some of the higher mesa or butte areas are used by Dall sheep for lambing and mineral licks.

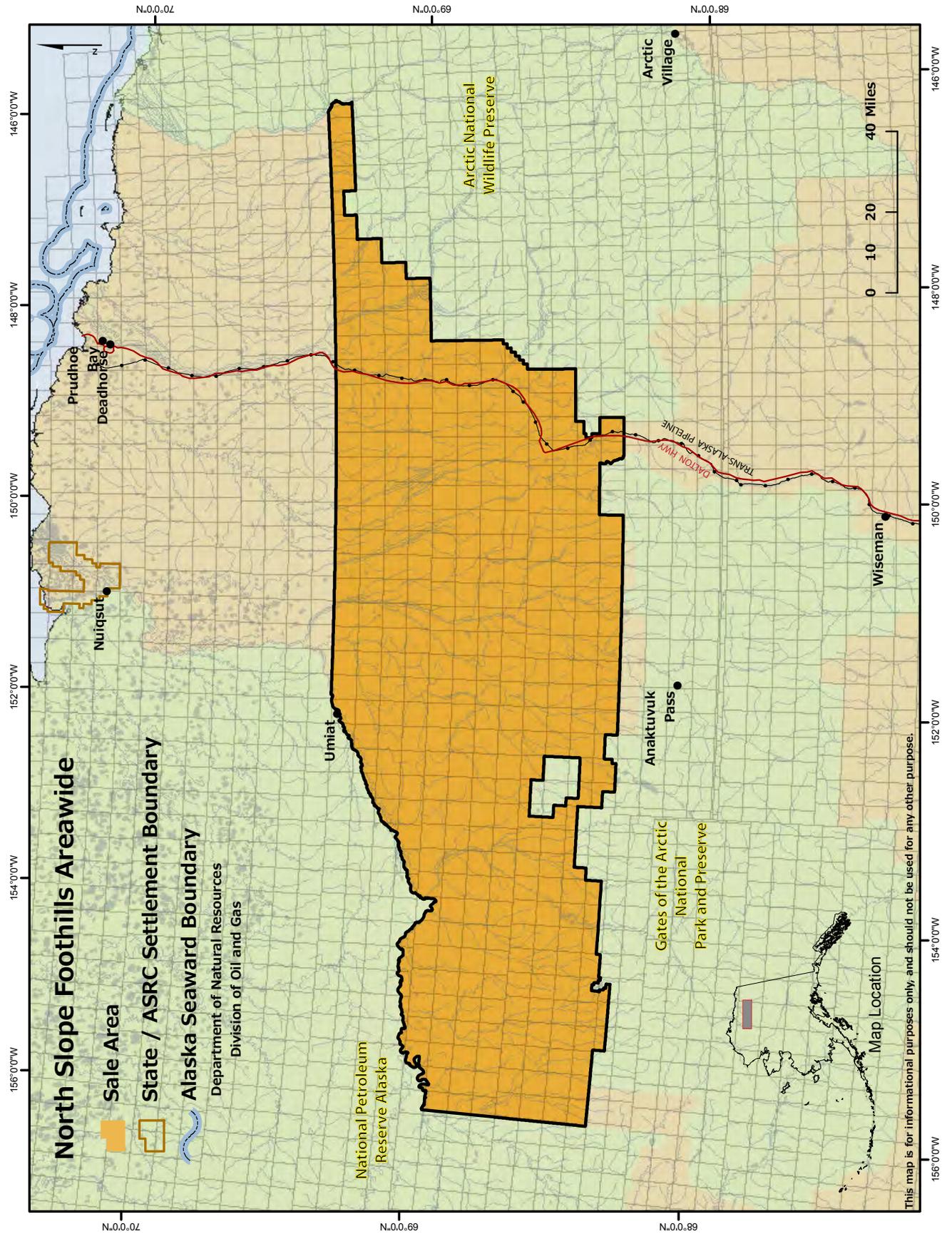
Major river valleys, where willow thickets are most abundant, provide valuable moose habitat. Moose concentrate in these areas throughout the year, with peak use during winter. Brown bears are frequently associated with riparian habitats in the area, especially in the spring and fall. The North Slope's tundra and foothills support numerous migratory bird species in this area. Dall sheep live on ridges, dry meadows, and steep mountain slopes. Residents of Anaktuvuk Pass are the most frequent users of fish and wildlife in the lease sale area; however, Barrow, Nuiqsut, and Kaktovik residents harvest species in the area.

Municipalities and Communities: The North Slope Borough has adopted a comprehensive plan and land management regulations that may impose restrictions on oil and gas activity in the lease sale area.

Municipalities & Communities

| Community | Population (2010) |
|-----------------------|-------------------|
| North Slope Borough | 9,430 |
| Prudhoe Bay/Deadhorse | 2,174 |
| Nuiqsut | 402 |
| Anaktuvuk Pass | 324 |
| Barrow | 4,212 |
| Kaktovik | 239 |

Source: http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm



Recent Areawide Oil and Gas Lease Sale Results

2011 Sale Results

| Sale | Date | Acres Leased | High Bonus Bids | Status |
|----------------------------|------------------|------------------|---------------------|------------------|
| Alaska Peninsula 2011 | June 22, 2011 | 0 | 0 | No bids received |
| Beaufort Sea 2011W | December 7, 2011 | 281,095 | \$6,874,657 | Preliminary |
| Cook Inlet 2011A and B | June 22, 2011 | 545,050 | \$10,986,826 | Final |
| North Slope 2011W | December 7, 2011 | 289,433 | \$11,838,289 | Preliminary |
| North Slope Foothills 2011 | December 7, 2011 | 0 | 0 | No bids received |
| Totals: | | 1,111,578 | \$29,699,772 | |

2012 Sale Results*

| Sale | Date | Acres Leased | High Bonus Bids | Status |
|----------------------------|------------------|----------------|---------------------|------------------|
| Alaska Peninsula 2012 | May 16, 2012 | 0 | \$0 | No bids received |
| Beaufort Sea 2012W | November 7, 2012 | 99,200 | \$1,781,235 | Preliminary |
| Cook Inlet 2012 | May 16, 2012 | 197,795 | \$6,865,835 | Preliminary |
| North Slope 2012W | November 7, 2012 | 165,179 | \$11,497,178 | Preliminary |
| North Slope Foothills 2012 | November 7, 2012 | 46,080 | \$961,920 | Preliminary |
| Totals: | | 508,254 | \$21,106,168 | |

* Individual results of the 2012 lease sales are reported on the following pages. Final results will be posted on the division's Web site at <http://dog.dnr.alaska.gov/> once leases have been issued.

Alaska Peninsula Areawide 2012 Competitive Oil and Gas Lease Sale

No Bids Received



Division of Oil & Gas

Alaska Department of Natural Resources

Sale Results Summary

Beaufort Sea Areawide 2012W

Date of Sale: 11/7/2012

Preliminary Report

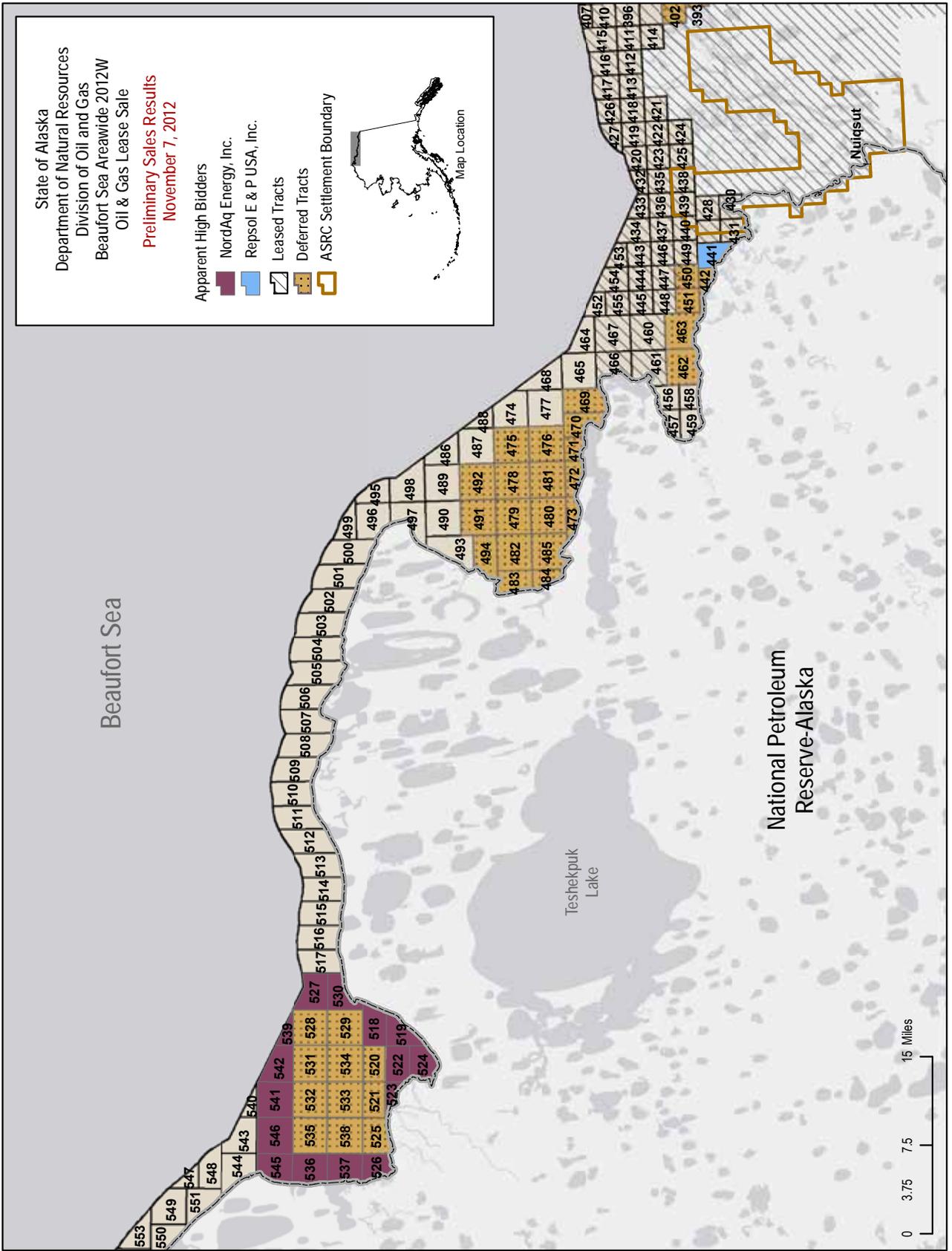
11/7/2012

| | | | |
|-----------------------------|----------------|-------------------|-----------|
| Total Number of Valid Bids: | 26 | Min Bid Per Acre: | \$10.00 |
| Total Tracts Sold: | 26 | | |
| Total Acres Sold: | 99,200.00 | | |
| Total High Bonus Bids: | \$1,781,235.20 | | \$25.00 |
| Sum of All Valid Bids: | \$1,781,235.20 | Royalty %: | 12.50000% |
| Average High Bid Per Acre: | \$17.96 | | % |
| | | | 16.66667% |

Highest Bid: \$134,348.80
 Tract Number: 524
 Submitted By: NordAq Energy, Inc.

Highest Bid/Acre: \$29.89
 Tract Number: 518
 Submitted By: NordAq Energy, Inc.

| Bidder Company or Group Name | Number of Tracts Bid | Total of All Bids | Number of Tracts Won | Total of High Bids | Total Acreage Won |
|---|----------------------|-----------------------|----------------------|-----------------------|-------------------|
| NordAq Energy Inc 100.00000% | 15 | \$1,185,312.00 | 15 | \$1,185,312.00 | 69,760.00 |
| DANIEL K DONKEL 25.00000%; SAMUEL H CADE 75.00000% | 5 | \$295,936.00 | 5 | \$295,936.00 | 12,800.00 |
| SAMUEL H CADE 100.00000% | 3 | \$200,601.60 | 3 | \$200,601.60 | 7,680.00 |
| DANIEL K DONKEL 25.00000%; Wiley B Lowe 75.00000% | 1 | \$6,400.00 | 1 | \$6,400.00 | 640.00 |
| Realeza Del Spear Limited Partnership 100.00000% | 1 | \$54,169.60 | 1 | \$54,169.60 | 5,120.00 |
| Repsol E&P USA Inc. 100.00000% | 1 | \$38,816.00 | 1 | \$38,816.00 | 3,200.00 |
| Total | | \$1,781,235.20 | 26 | \$1,781,235.20 | 99,200.00 |

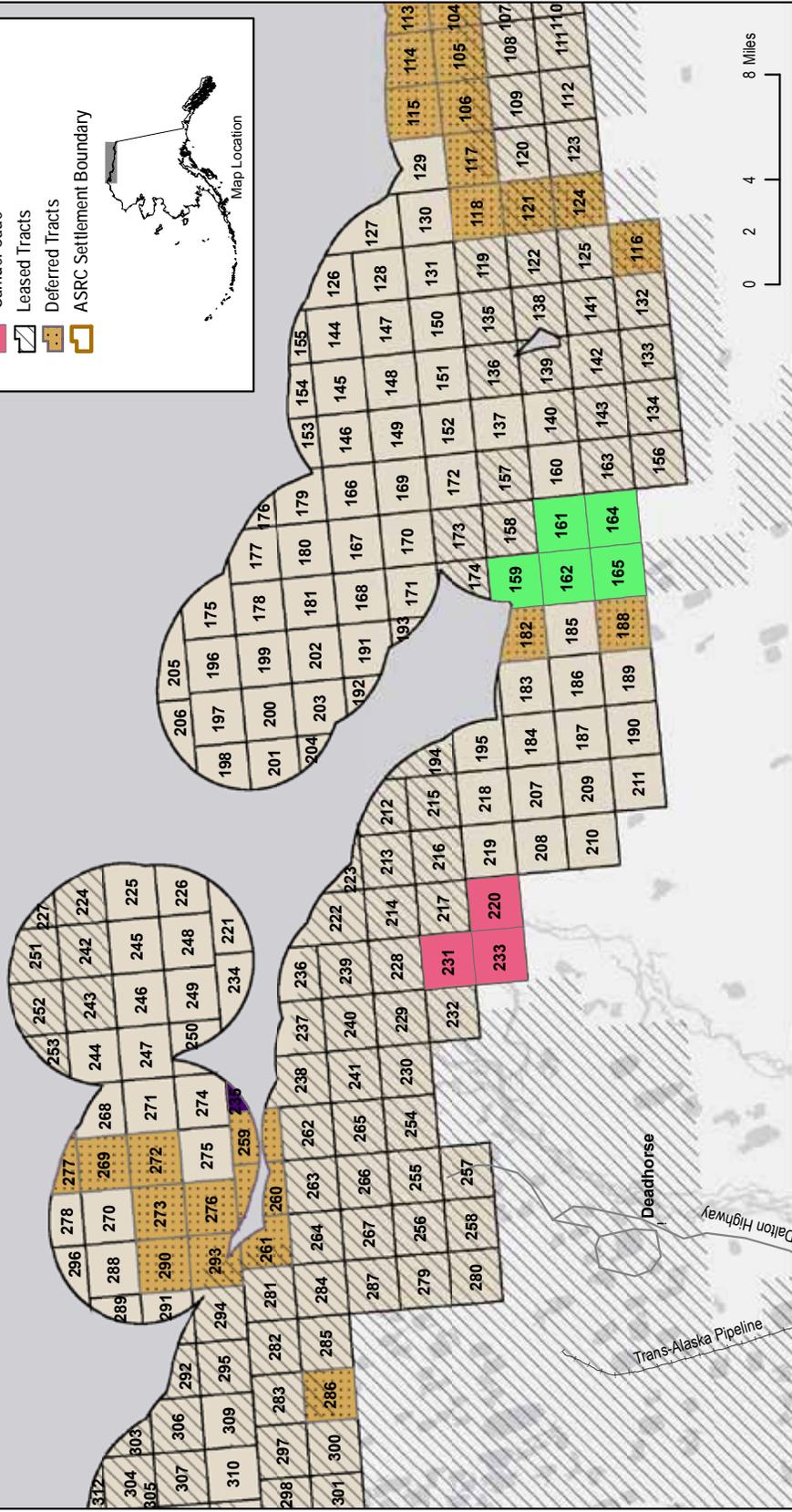
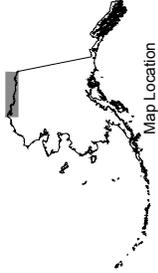




Beaufort Sea

State of Alaska
 Department of Natural Resources
 Division of Oil and Gas
 Beaufort Sea Areawide 2012W
 Oil & Gas Lease Sale
Preliminary Sales Results
 November 7, 2012

- Apparent High Bidders
- Donkel Cade
- Donkel Lowe
- Samuel Cade
- Leased Tracts
- Deferred Tracts
- ASRC Settlement Boundary



8 Miles



Deadhorse
 Dalton Highway
 Trans-Alaska Pipeline

\$

Beaufort Sea

1002 Area
Arctic National Wildlife Refuge

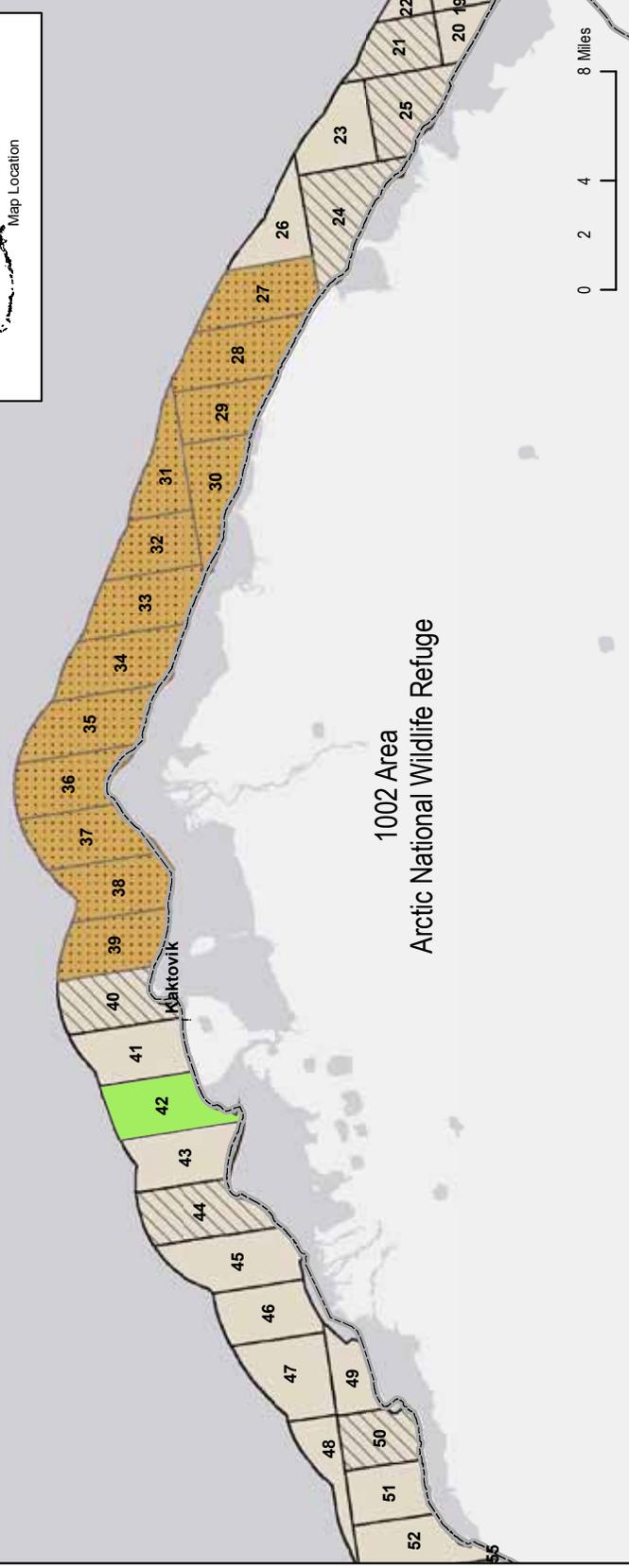
State of Alaska
Department of Natural Resources
Division of Oil and Gas
Beaufort Sea Areawide 2012W
Oil & Gas Lease Sale
Preliminary Sales Results
November 7, 2012

Apparent High Bidders

- Realeza Del Spear, LP
- Leased Tracts
- Deferred Tracts
- ASRC Settlement Boundary



Map Location





Division of Oil & Gas

Alaska Department of Natural Resources

Sale Results Summary

Cook Inlet Areawide 2012W

Date of Sale: 5/16/2012

Preliminary Report

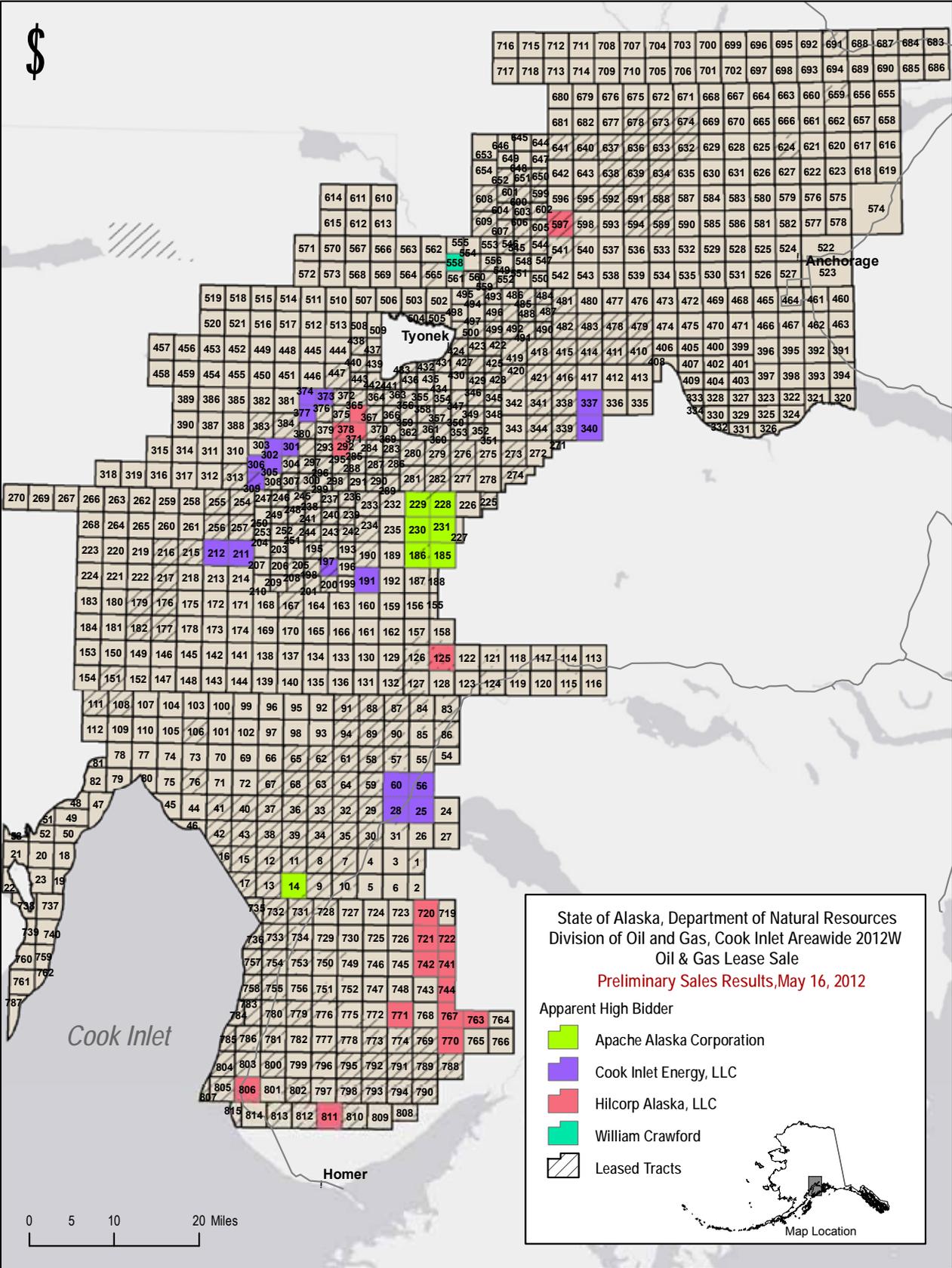
5/16/2012

| | | | |
|-----------------------------|----------------|-------------------|-----------|
| Total Number of Valid Bids: | 51 | Min Bid Per Acre: | \$25.00 |
| Total Tracts Sold: | 44 | Royalty %: | 12.50000% |
| Total Acres Sold: | 197,795.00 | | |
| Total High Bonus Bids: | \$6,865,835.00 | | |
| Sum of All Valid Bids: | \$7,650,475.00 | | |
| Average High Bid Per Acre: | \$34.71 | | |

Highest Bid: \$345,600.00
 Tract Number: 721
 Submitted By: Hilcorp Alaska, LLC

Highest Bid/Acre: \$82.50
 Tract Number: 374
 Submitted By: Cook Inlet Energy

| Bidder Company or Group Name | Number of Tracts Bid | Total of All Bids | Number of Tracts Won | Total of High Bids | Total Acreage Won |
|---|----------------------|-----------------------|----------------------|-----------------------|-------------------|
| COOK INLET ENERGY, LLC 100.00000% | 18 | \$2,719,680.00 | 18 | \$2,719,680.00 | 74,880.00 |
| Hilcorp Alaska, LLC 100.00000% | 18 | \$3,117,120.00 | 18 | \$3,117,120.00 | 82,560.00 |
| APACHE ALASKA CORPORATION 100.00000% | 14 | \$1,812,800.00 | 7 | \$1,028,160.00 | 40,320.00 |
| William M Crawford 100.00000% | 1 | \$875.00 | 1 | \$875.00 | 35.00 |
| Total | | \$7,650,475.00 | 44 | \$6,865,835.00 | 197,795.00 |





Division of Oil & Gas

Alaska Department of Natural Resources

Sale Results Summary

North Slope Areawide 2012W

Date of Sale: 11/7/2012

Preliminary Report

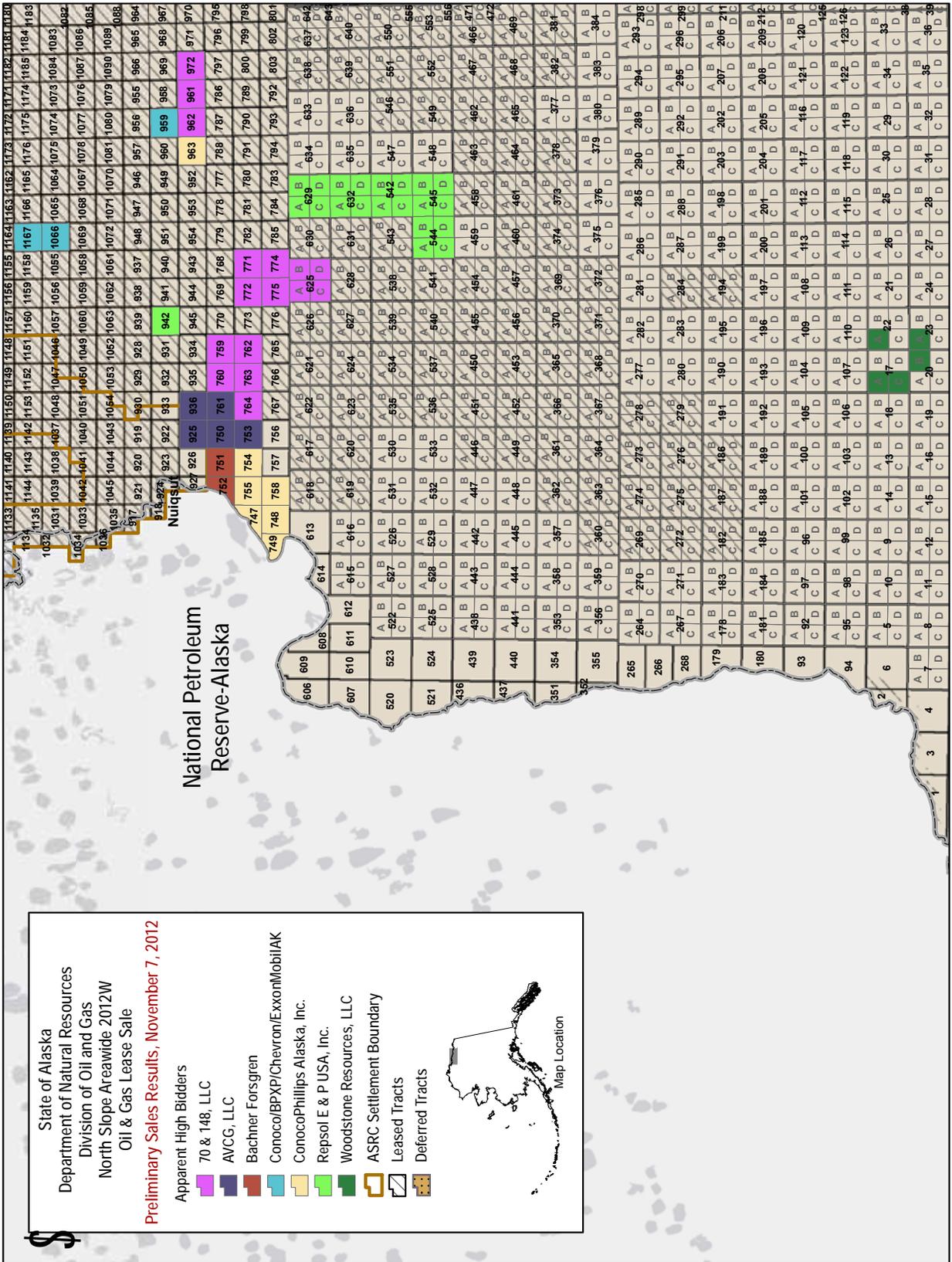
11/7/2012

| | | | |
|-----------------------------|-----------------|-------------------|-----------|
| Total Number of Valid Bids: | 98 | Min Bid Per Acre: | \$10.00 |
| Total Tracts Sold: | 88 | | |
| Total Acres Sold: | 165,179.00 | | |
| Total High Bonus Bids: | \$11,497,178.53 | | \$25.00 |
| Sum of All Valid Bids: | \$12,060,239.33 | | \$25.00 |
| Average High Bid Per Acre: | \$69.60 | Royalty %: | 12.50000% |
| | | | % |
| | | | 12.50000% |
| | | | 16.66667% |

Highest Bid: \$1,156,531.20
 Tract Number: 959
 Submitted By: Conoco/BPXP/Chevron/ExxonMobilAK

Highest Bid/Acre: \$451.77
 Tract Number: 959
 Submitted By: Conoco/BPXP/Chevron/ExxonMobilAK

| Bidder Company or Group Name | Number of Tracts Bid | Total of All Bids | Number of Tracts Won | Total of High Bids | Total Acreage Won |
|--|----------------------|-------------------|----------------------|--------------------|-------------------|
| Repsol E&P USA Inc. 100.00000% | 24 | \$1,588,761.60 | 24 | \$1,588,761.60 | 39,040.00 |
| Great Bear Petroleum Ventures II, LLC 100.00000% | 20 | \$749,664.00 | 17 | \$637,214.40 | 24,480.00 |
| 70 & 148, LLC 100.00000% | 19 | \$3,337,286.40 | 16 | \$3,138,707.20 | 36,480.00 |
| CONOCOPHILLIPS ALASKA, INC. 100.00000% | 7 | \$2,053,222.40 | 7 | \$2,053,222.40 | 17,920.00 |
| Woodstone Resources LLC 100.00000% | 7 | \$267,120.00 | 7 | \$267,120.00 | 10,080.00 |

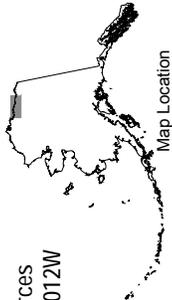


State of Alaska, Department of Natural Resources
 Division of Oil and Gas, North Slope Area-wide 2012W
 Oil & Gas Lease Sale

Preliminary Sales Results, November 7, 2012

Apparent High Bidders

- Donkel Cade
- Great Bear Petroleum Ventures II, LLC
- Paul M. Basinski
- Repsol E & P USA, Inc.
- Samuel Cade
- Savant Alaska, LLC
- Woodstone Resources, LLC
- Leased Tracts
- Deferred Tracts

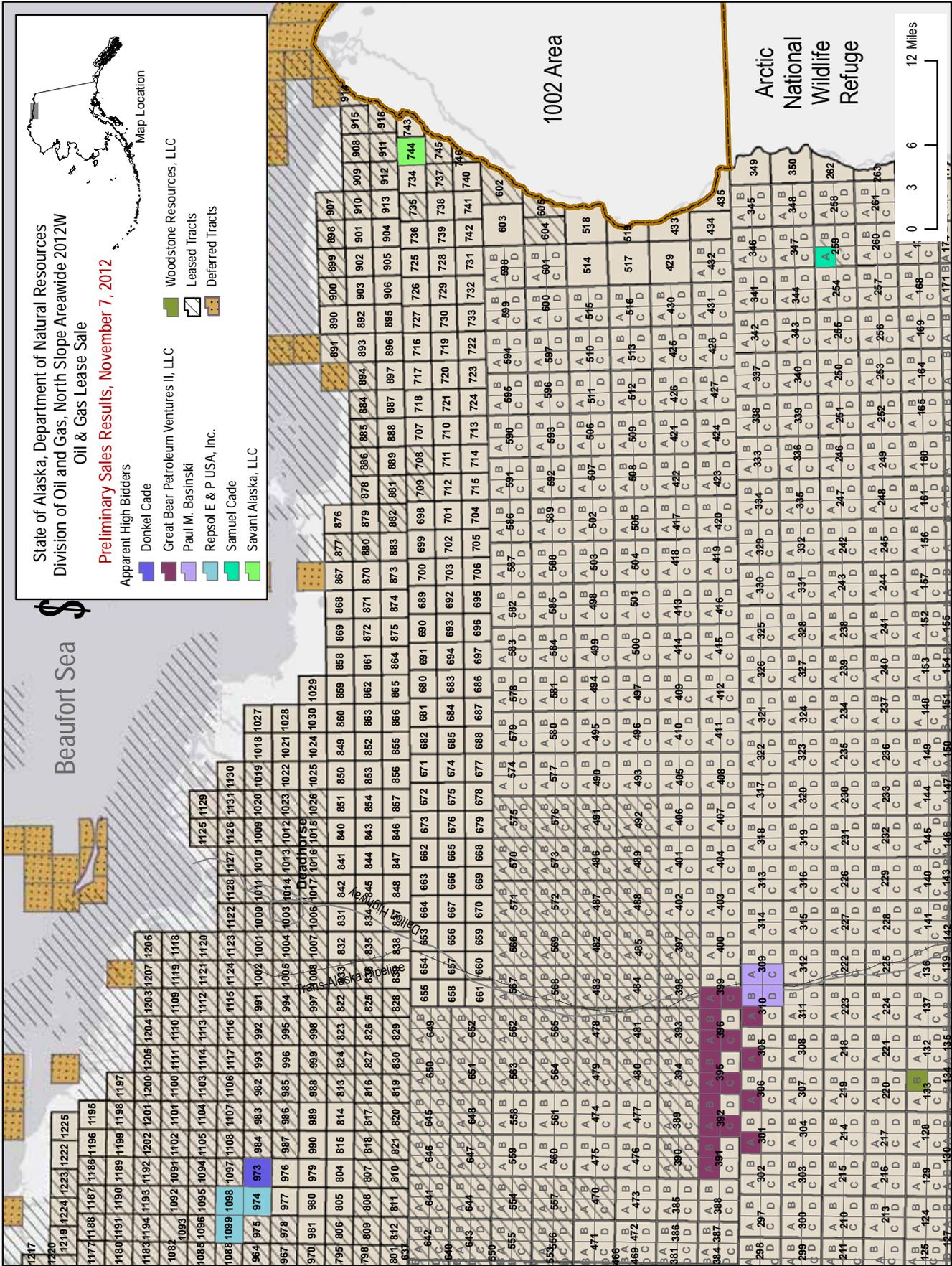


Beaufort Sea

1002 Area

Arctic National Wildlife Refuge

12 Miles



0 3 6 12 Miles

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Division of Oil & Gas

Alaska Department of Natural Resources

Sale Results Summary

North Slope Foothills Areawide 2012

Date of Sale: 11/7/2012

Preliminary Report

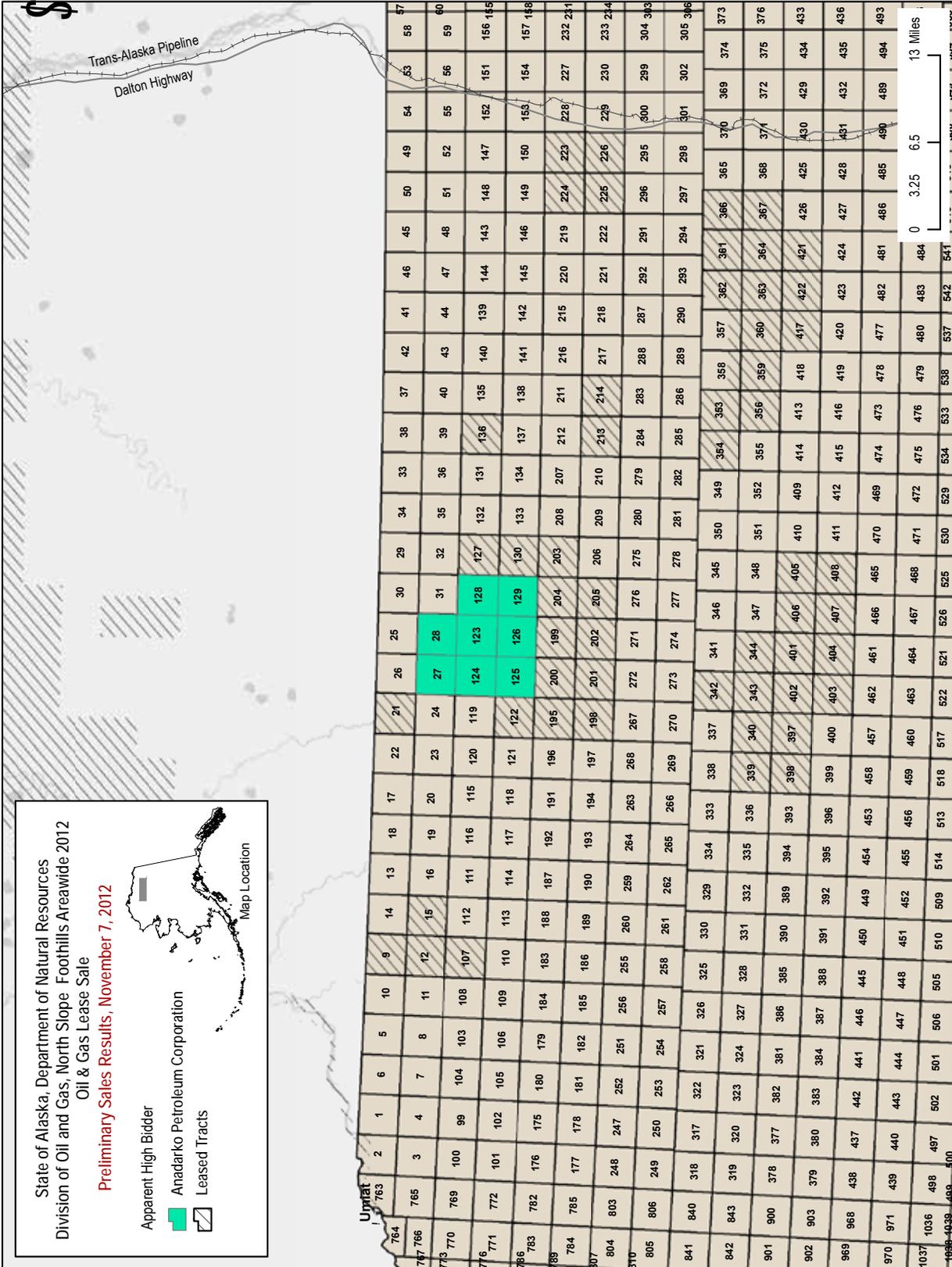
11/7/2012

| | |
|-------------------------------------|---------------------------|
| Total Number of Valid Bids: 8 | Min Bid Per Acre: \$10.00 |
| Total Tracts Sold: 8 | Royalty %: 12.50000% |
| Total Acres Sold: 46,080.00 | |
| Total High Bonus Bids: \$961,920.00 | |
| Sum of All Valid Bids: \$961,920.00 | |
| Average High Bid Per Acre: \$20.88 | |

Highest Bid: \$224,640.00
 Tract Number: 128
 Submitted By: Anadarko Petroleum Corporation

Highest Bid/Acre: \$39.00
 Tract Number: 128
 Submitted By: Anadarko Petroleum Corporation

| Bidder Company or Group Name | Number of Tracts Bid | Total of All Bids | Number of Tracts Won | Total of High Bids | Total Acreage Won |
|---|----------------------|---------------------|----------------------|---------------------|-------------------|
| ANADARKO PETROLEUM CORPORATION 100.00000% | 8 | \$961,920.00 | 8 | \$961,920.00 | 46,080.00 |
| Total | | \$961,920.00 | 8 | \$961,920.00 | 46,080.00 |



State of Alaska, Department of Natural Resources
 Division of Oil and Gas, North Slope Foothills Area-wide 2012
 Oil & Gas Lease Sale

Preliminary Sales Results, November 7, 2012

Apparent High Bidder
 Anadarko Petroleum Corporation
 Leased Tracts

Map Location

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| 764 | 763 | 762 | 761 | 760 | 759 | 758 | 757 | 756 | 755 | 754 | 753 | 752 | 751 | 750 | 749 | 748 | 747 | 746 | 745 | 744 | 743 | 742 | 741 | 740 | 739 | 738 | 737 | 736 | 735 | 734 | 733 | 732 | 731 | 730 | 729 | 728 | 727 | 726 | 725 | 724 | 723 | 722 | 721 | 720 | 719 | 718 | 717 | 716 | 715 | 714 | 713 | 712 | 711 | 710 | 709 | 708 | 707 | 706 | 705 | 704 | 703 | 702 | 701 | 700 | 699 | 698 | 697 | 696 | 695 | 694 | 693 | 692 | 691 | 690 | 689 | 688 | 687 | 686 | 685 | 684 | 683 | 682 | 681 | 680 | 679 | 678 | 677 | 676 | 675 | 674 | 673 | 672 | 671 | 670 | 669 | 668 | 667 | 666 | 665 | 664 | 663 | 662 | 661 | 660 | 659 | 658 | 657 | 656 | 655 | 654 | 653 | 652 | 651 | 650 | 649 | 648 | 647 | 646 | 645 | 644 | 643 | 642 | 641 | 640 | 639 | 638 | 637 | 636 | 635 | 634 | 633 | 632 | 631 | 630 | 629 | 628 | 627 | 626 | 625 | 624 | 623 | 622 | 621 | 620 | 619 | 618 | 617 | 616 | 615 | 614 | 613 | 612 | 611 | 610 | 609 | 608 | 607 | 606 | 605 | 604 | 603 | 602 | 601 | 600 | 599 | 598 | 597 | 596 | 595 | 594 | 593 | 592 | 591 | 590 | 589 | 588 | 587 | 586 | 585 | 584 | 583 | 582 | 581 | 580 | 579 | 578 | 577 | 576 | 575 | 574 | 573 | 572 | 571 | 570 | 569 | 568 | 567 | 566 | 565 | 564 | 563 | 562 | 561 | 560 | 559 | 558 | 557 | 556 | 555 | 554 | 553 | 552 | 551 | 550 | 549 | 548 | 547 | 546 | 545 | 544 | 543 | 542 | 541 | 540 | 539 | 538 | 537 | 536 | 535 | 534 | 533 | 532 | 531 | 530 | 529 | 528 | 527 | 526 | 525 | 524 | 523 | 522 | 521 | 520 | 519 | 518 | 517 | 516 | 515 | 514 | 513 | 512 | 511 | 510 | 509 | 508 | 507 | 506 | 505 | 504 | 503 | 502 | 501 | 500 | 499 | 498 | 497 | 496 | 495 | 494 | 493 | 492 | 491 | 490 | 489 | 488 | 487 | 486 | 485 | 484 | 483 | 482 | 481 | 480 | 479 | 478 | 477 | 476 | 475 | 474 | 473 | 472 | 471 | 470 | 469 | 468 | 467 | 466 | 465 | 464 | 463 | 462 | 461 | 460 | 459 | 458 | 457 | 456 | 455 | 454 | 453 | 452 | 451 | 450 | 449 | 448 | 447 | 446 | 445 | 444 | 443 | 442 | 441 | 440 | 439 | 438 | 437 | 436 | 435 | 434 | 433 | 432 | 431 | 430 | 429 | 428 | 427 | 426 | 425 | 424 | 423 | 422 | 421 | 420 | 419 | 418 | 417 | 416 | 415 | 414 | 413 | 412 | 411 | 410 | 409 | 408 | 407 | 406 | 405 | 404 | 403 | 402 | 401 | 400 | 399 | 398 | 397 | 396 | 395 | 394 | 393 | 392 | 391 | 390 | 389 | 388 | 387 | 386 | 385 | 384 | 383 | 382 | 381 | 380 | 379 | 378 | 377 | 376 | 375 | 374 | 373 | 372 | 371 | 370 | 369 | 368 | 367 | 366 | 365 | 364 | 363 | 362 | 361 | 360 | 359 | 358 | 357 | 356 | 355 | 354 | 353 | 352 | 351 | 350 | 349 | 348 | 347 | 346 | 345 | 344 | 343 | 342 | 341 | 340 | 339 | 338 | 337 | 336 | 335 | 334 | 333 | 332 | 331 | 330 | 329 | 328 | 327 | 326 | 325 | 324 | 323 | 322 | 321 | 320 | 319 | 318 | 317 | 316 | 315 | 314 | 313 | 312 | 311 | 310 | 309 | 308 | 307 | 306 | 305 | 304 | 303 | 302 | 301 | 300 | 299 | 298 | 297 | 296 | 295 | 294 | 293 | 292 | 291 | 290 | 289 | 288 | 287 | 286 | 285 | 284 | 283 | 282 | 281 | 280 | 279 | 278 | 277 | 276 | 275 | 274 | 273 | 272 | 271 | 270 | 269 | 268 | 267 | 266 | 265 | 264 | 263 | 262 | 261 | 260 | 259 | 258 | 257 | 256 | 255 | 254 | 253 | 252 | 251 | 250 | 249 | 248 | 247 | 246 | 245 | 244 | 243 | 242 | 241 | 240 | 239 | 238 | 237 | 236 | 235 | 234 | 233 | 232 | 231 | 230 | 229 | 228 | 227 | 226 | 225 | 224 | 223 | 222 | 221 | 220 | 219 | 218 | 217 | 216 | 215 | 214 | 213 | 212 | 211 | 210 | 209 | 208 | 207 | 206 | 205 | 204 | 203 | 202 | 201 | 200 | 199 | 198 | 197 | 196 | 195 | 194 | 193 | 192 | 191 | 190 | 189 | 188 | 187 | 186 | 185 | 184 | 183 | 182 | 181 | 180 | 179 | 178 | 177 | 176 | 175 | 174 | 173 | 172 | 171 | 170 | 169 | 168 | 167 | 166 | 165 | 164 | 163 | 162 | 161 | 160 | 159 | 158 | 157 | 156 | 155 | 154 | 153 | 152 | 151 | 150 | 149 | 148 | 147 | 146 | 145 | 144 | 143 | 142 | 141 | 140 | 139 | 138 | 137 | 136 | 135 | 134 | 133 | 132 | 131 | 130 | 129 | 128 | 127 | 126 | 125 | 124 | 123 | 122 | 121 | 120 | 119 | 118 | 117 | 116 | 115 | 114 | 113 | 112 | 111 | 110 | 109 | 108 | 107 | 106 | 105 | 104 | 103 | 102 | 101 | 100 | 99 | 98 | 97 | 96 | 95 | 94 | 93 | 92 | 91 | 90 | 89 | 88 | 87 | 86 | 85 | 84 | 83 | 82 | 81 | 80 | 79 | 78 | 77 | 76 | 75 | 74 | 73 | 72 | 71 | 70 | 69 | 68 | 67 | 66 | 65 | 64 | 63 | 62 | 61 | 60 | 59 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 58 | 57 | 56 | 55 | 54 | 53 | 52 | 51 | 50 | 49 | 48 | 47 | 46 | 45 | 44 | 43 | 42 | 41 | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6</ |
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Summary of State Competitive Lease Sales 1959-2012

| Sale Date | Sale | Sale Area | Acres Offered | Acres Leased | Percent Leased | Average \$/Acre | Tracts Offered | Tracts Leased | Bonus Received | Bid Variable | Fixed Terms |
|------------|------|--------------|---------------|--------------|----------------|-----------------|----------------|---------------|----------------|------------------------|--|
| 12/10/1959 | 1 | Cook Inlet | 88,055 | 77,191 | 87.66% | \$52.08 | 37 | 31 | \$4,020,342 | Bonus; No Min | 12.5% Royalty |
| 7/13/1960 | 2 | Cook Inlet | 17,568 | 16,506 | 93.96% | \$24.70 | 27 | 26 | \$407,655 | Bonus; No Min | 12.5% Royalty |
| 12/7/1960 | 3 | Mixed | 73,048 | 22,867 | 31.30% | \$1.54 | 26 | 9 | \$35,325 | Bonus; No Min | 12.5% Royalty |
| 1/25/1961 | 4 | Cook Inlet | 400 | 400 | 100.00% | \$679.04 | 3 | 3 | \$271,614 | Bonus; No Min | 12.5% Royalty |
| 5/23/1961 | 5 | Mixed | 97,876 | 95,980 | 98.06% | \$74.71 | 102 | 99 | \$7,170,465 | Bonus; No Min | 12.5% Royalty |
| 8/4/1961 | 6 | Gulf Ak | 13,257 | 13,257 | 100.00% | \$8.35 | 6 | 6 | \$110,672 | Bonus; No Min | 12.5% Royalty |
| 12/19/1961 | 7 | Mixed | 255,708 | 187,118 | 73.18% | \$79.43 | 68 | 53 | \$14,863,049 | Bonus; No Min | 12.5% Royalty |
| 4/24/1962 | 8 | Cook Inlet | 1,062 | 1,062 | 100.00% | \$4.80 | 8 | 8 | \$5,097 | Bonus; No Min | 12.5% Royalty |
| 7/11/1962 | 9 | Mixed | 315,669 | 264,437 | 83.77% | \$59.42 | 89 | 76 | \$15,714,113 | Bonus; No Min | 12.5% Royalty |
| 5/8/1963 | 10 | Cook Inlet | 187,583 | 141,491 | 84.43% | \$29.23 | 200 | 158 | \$4,136,225 | Bonus; No Min | 12.5% Royalty |
| 12/11/1963 | 12 | Cook Inlet | 346,782 | 247,089 | 71.25% | \$12.31 | 308 | 207 | \$3,042,681 | Bonus; No Min | 12.5% Royalty |
| 12/9/1964 | 13 | Mixed | 1,194,373 | 721,224 | 60.39% | \$7.68 | 610 | 341 | \$5,537,100 | Bonus; No Min | 12.5% Royalty |
| 7/14/1965 | 14 | North Slope | 754,033 | 403,000 | 53.45% | \$15.25 | 297 | 159 | \$6,145,473 | Bonus; \$1/acre Min | 12.5% Royalty |
| 9/28/1965 | 15 | Cook Inlet | 403,042 | 301,751 | 74.87% | \$15.49 | 293 | 216 | \$4,674,344 | Bonus; \$1/acre Min | 12.5% Royalty |
| 7/19/1966 | 16 | Mixed | 184,410 | 133,987 | 72.66% | \$52.55 | 205 | 153 | \$7,040,880 | Bonus; \$1/acre Min | 12.5% Royalty |
| 11/22/1966 | 17 | Cook Inlet | 19,230 | 18,590 | 96.67% | \$7.33 | 36 | 35 | \$136,280 | Bonus; \$1/acre Min | 12.5% Royalty |
| 1/24/1967 | 18 | Mixed | 47,729 | 43,657 | 91.47% | \$33.90 | 23 | 20 | \$1,479,906 | Bonus; \$1/acre Min | 12.5% Royalty |
| 3/28/1967 | 19 | Kachemak Bay | 2,560 | INVALID | 12/9/74 | | | | | | |
| 7/25/1967 | 20 | Cook Inlet | 311,250 | 256,447 | 82.39% | \$73.14 | 295 | 220 | \$18,757,341 | Bonus; \$1/acre Min | 12.5% Royalty |
| 3/26/1968 | 21 | AK Peninsula | 346,623 | 164,961 | 47.59% | \$18.24 | 308 | 147 | \$3,009,224 | Bonus; \$1/acre Min | 12.5% Royalty |
| 10/29/1968 | 22 | Cook Inlet | 111,199 | 60,272 | 54.20% | \$17.29 | 230 | 125 | \$1,042,220 | Bonus; No Min | 12.5% Royalty |
| 9/10/1969 | 23 | North Slope | 450,858 | 412,548 | 91.50% | \$2,181.66 | 179 | 164 | \$900,041,605 | Bonus; No Min | 12.5% Royalty |
| 5/12/1971 | 24 | Cook Inlet | 196,635 | 92,618 | 47.10% | \$4.92 | 244 | 106 | \$455,641 | Bonus; No Min | 12.5% Royalty |
| 9/26/1972 | 25 | Cook Inlet | 325,401 | 178,245 | 54.78% | \$7.43 | 259 | 152 | \$1,324,673 | Bonus; No Min | 12.5% Royalty |
| 12/11/1972 | 26 | Cook Inlet | 399,921 | 177,973 | 44.50% | \$8.75 | 218 | 105 | \$1,557,849 | Bonus; No Min | 12.5% Royalty |
| 5/9/1973 | 27 | Cook Inlet | 308,401 | 113,892 | 36.93% | \$9.92 | 210 | 96 | \$1,130,325 | Bonus; No Min | 12.5% Royalty |
| 12/13/1973 | 28 | Cook Inlet | 166,648 | 97,804 | 58.69% | \$253.77 | 98 | 62 | \$24,819,190 | Bonus; No Min | 16.67% Royalty |
| 10/23/1974 | 29 | Cook Inlet | 278,269 | 127,120 | 45.68% | \$8.19 | 164 | 82 | \$1,040,910 | Bonus; No Min | 16.67% Royalty |
| 7/24/1979 | 29B | Copper River | 34,678 | 34,678 | 100.00% | \$4.56 | 20 | 20 | \$158,042 | Bonus; No Min | 20% Royalty |
| 12/12/1979 | 30 | Beaufort Sea | 341,140 | 296,308 | 86.86% | \$1,914.87 | 71 | 62 | \$567,391,497 | Net Profit Share (NPS) | 20% Royalty; \$850 & \$1750/acre |
| 9/16/1980 | 31 | North Slope | 196,268 | 196,268 | 100.00% | \$63.12 | 78 | 78 | \$12,387,470 | Bonus; No Min | 20% Royalty; 30% NPS |
| 5/13/1981 | 33 | Cook Inlet | 815,000 | 429,978 | 52.76% | \$10.00 | 202 | 103 | \$4,299,782 | Royalty; 20% Min | \$10/acre Bonus |
| 8/25/1981 | 32 | Cook Inlet | 202,837 | 152,428 | 75.15% | \$10.00 | 78 | 59 | \$1,524,282 | Royalty; 20% Min | \$10/acre Bonus |
| 2/2/1982 | 35 | Cook Inlet | 601,172 | 131,191 | 21.82% | \$10.00 | 149 | 31 | \$1,311,907 | Royalty; 12.5% Min | \$10/acre Bonus |
| 5/26/1982 | 36* | Beaufort Sea | 56,862 | 56,862 | 100.00% | \$573.02 | 13 | 13 | \$32,583,452 | Bonus; No Min | 12.5% Royalty & 40% NPS |
| 8/24/1982 | 37* | Copper River | 852,603 | 168,849 | 19.80% | \$3.33 | 217 | 33 | \$562,944 | Bonus; No Min | 12.5% Royalty & 30% NPS |
| 8/24/1982 | 37A | Cook Inlet | 1,875 | 1,875 | 100.00% | \$52.00 | 1 | 1 | \$97,479 | Bonus; No Min | 43% Royalty |
| 9/28/1982 | 34* | North Slope | 1,231,517 | 571,954 | 46.44% | \$46.70 | 261 | 119 | \$26,713,018 | Bonus; No Min | Royalty; 16.67%-40% NPS; 12.5%-30% NPS |
| 5/17/1983 | 39* | Beaufort Sea | 211,988 | 211,988 | 100.00% | \$99.05 | 42 | 42 | \$20,998,101 | Bonus; \$10/acre Min | 12.5% Royalty & 30% or 40% NPS |
| 9/28/1983 | 40 | Cook Inlet | 1,044,745 | 443,355 | 42.44% | \$7.17 | 284 | 140 | \$3,177,178 | Bonus; \$1/acre Min | 12.5% Royalty |
| 5/22/1984 | 43 | Beaufort Sea | 298,074 | 281,784 | 94.53% | \$114.32 | 69 | 66 | \$32,214,794 | Bonus; \$10/acre Min | 16.67% Royalty |
| 5/22/1984 | 43A* | North Slope | 76,079 | 76,079 | 100.00% | \$125.44 | 15 | 15 | \$1,612,583 | Bonus; \$10/acre Min | 12.5% Royalty & 30% NPS |
| 9/18/1984 | 41 | Bristol Bay | 1,437,930 | 278,939 | 19.40% | \$3.03 | 308 | 63 | \$843,965 | Bonus; No Min | 12.5% Royalty |

Summary of State Competitive Lease Sales 1959-2012

| Sale Date | Sale | Sale Area | Acres Offered | Acres Leased | Percent Leased | Average \$/Acre | Tracts Offered | Tracts Leased | Bonus Received | Bid Variable | Fixed Terms |
|------------|--------|--------------|---------------|--------------|----------------|-----------------|----------------|---------------|----------------|-------------------------|--|
| 2/26/1985 | 46A | Cook Inlet | 248,585 | 190,042 | 76.45% | \$13.28 | 65 | 50 | \$2,523,334 | Bonus; \$1/acre Min | 12.5% & 16.67% Royalty |
| 9/24/1985 | 45A | North Slope | 606,385 | 164,885 | 27.19% | \$28.25 | 113 | 32 | \$4,657,478 | Bonus; \$5/acre Min | 16.67% Royalty |
| 9/24/1985 | 47 | North Slope | 192,569 | 182,560 | 94.80% | \$63.79 | 50 | 48 | \$11,645,003 | Bonus; \$5/acre Min | 12.5% Royalty |
| 2/25/1986 | 48 | North Slope | 526,101 | 266,736 | 50.70% | \$9.16 | 104 | 54 | \$2,444,342 | Bonus; \$5/acre Min | 12.5% Royalty |
| 2/25/1986 | 48A | Beaufort Sea | 42,053 | 42,053 | 100.00% | \$12.13 | 11 | 11 | \$510,255 | Bonus; \$5/acre Min | 12.5% Royalty |
| 6/24/1986 | 49 | Cook Inlet | 1,189,100 | 394,881 | 33.21% | \$2.40 | 260 | 98 | \$947,171 | Bonus; \$1/acre Min | 12.5% & 16.67% Royalty |
| 1/27/1987 | 51 | North Slope | 592,142 | 100,632 | 16.99% | \$2.88 | 119 | 26 | \$289,625 | Bonus; \$2/acre Min | 12.5% Royalty |
| 6/30/1987 | 50 | Beaufort Sea | 118,147 | 118,147 | 100.00% | \$56.05 | 35 | 35 | \$6,621,723 | Bonus; \$5/acre Min | 16.67% Royalty |
| 1/26/1988 | 54* | North Slope | 421,809 | 338,687 | 80.29% | \$13.83 | 89 | 72 | \$4,683,388 | Bonus; \$5/acre Min | 12.5% Royalty |
| 9/28/1988 | 55 | Beaufort Sea | 201,707 | 96,632 | 47.91% | \$152.13 | 56 | 25 | \$14,700,602 | Bonus; \$10&\$25/ac Min | 12.5% & 16.67% Royalty |
| 9/28/1988 | 69A | North Slope | 775,555 | 368,490 | 47.51% | \$16.61 | 155 | 75 | \$6,119,135 | Bonus; \$5/acre Min | 12.5% Royalty |
| 1/24/1989 | 52 | Beaufort Sea | 175,981 | 52,463 | 29.81% | \$33.12 | 43 | 15 | \$1,737,513 | Bonus; \$10/acre Min | 12.5% Royalty |
| 1/24/1989 | 72A | North Slope | 677 | 677 | 100.00% | \$671.90 | 1 | 1 | \$454,977 | Bonus; \$10/acre Min | 12.5% Royalty |
| 1/29/1991 | 67A* | Cook Inlet | 549,364 | 191,588 | 34.87% | \$28.77 | 140 | 55 | \$5,511,338 | Bonus; \$5/acre Min | 12.5% Royalty |
| 1/29/1991 | 70A* | North Slope | 532,153 | 420,568 | 79.03% | \$65.88 | 135 | 109 | \$27,707,541 | Bonus; \$5/acre Min | 12.5% Royalty |
| 6/4/1991 | 64 | North Slope | 754,542 | 34,143 | 4.52% | \$7.10 | 141 | 6 | \$242,389 | Bonus; \$5/acre Min | 12.5% Royalty |
| 6/4/1991 | 65* | Beaufort Sea | 491,091 | 172,865 | 35.20% | \$40.46 | 108 | 36 | \$6,993,949 | Bonus; \$5/acre Min | 16.67% Royalty |
| 9/24/1991 | 74A* | Cook Inlet | 605,851 | 26,605 | 4.39% | \$12.06 | 134 | 5 | \$320,853 | Bonus; \$5/acre Min | 12.5% Royalty |
| 1/22/1992 | 61 | North Slope | 991,087 | 260,550 | 26.29% | \$9.32 | 181 | 46 | \$2,429,551 | Bonus; \$5/acre Min | 12.5% Royalty |
| 6/2/1992 | 68 | Beaufort Sea | 153,445 | 0 | 0.00% | \$0.00 | 36 | 0 | \$0 | Bonus; \$10/acre Min | 12.5% Royalty |
| 12/8/1992 | 75 | North Slope | 217,205 | 124,832 | 57.47% | \$78.11 | 90 | 55 | \$9,750,111 | Bonus; \$10/acre Min | Royalty: State =12.5% & ASRC =16.67% |
| 1/26/1993 | 76 | Cook Inlet | 393,025 | 141,504 | 36.00% | \$461.25 | 86 | 36 | \$65,269,167 | Bonus; \$5/acre Min | 12.5% Royalty |
| 1/26/1993 | 67 A-W | Cook Inlet | 282,577 | 129,810 | 45.94% | \$18.75 | 69 | 33 | \$2,433,864 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/25/1993 | 77 | North Slope | 1,260,146 | 45,727 | 3.63% | \$25.47 | 228 | 8 | \$1,164,555 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/25/1993 | 70 A-W | North Slope | 37,655 | 28,055 | 74.51% | \$48.41 | 11 | 8 | \$1,358,027 | Bonus; \$10/acre Min | 12.5% Royalty |
| 9/21/1993 | 57 | North Slope | 1,033,248 | 0 | 0.00% | \$0.00 | 196 | 0 | \$0 | Bonus; \$5/acre Min | 12.5% Royalty |
| 9/21/1993 | 75A | North Slope | 14,343 | 14,343 | 100.00% | \$31.36 | 11 | 11 | \$449,847 | Bonus; \$10/acre Min | 16.67% Royalty |
| 10/30/1994 | 78 | Cook Inlet | 396,760 | 136,307 | 34.36% | \$12.14 | 90 | 34 | \$1,654,137 | Bonus; \$5/acre Min | 12.5% Royalty |
| 11/14/1995 | 67A-W2 | Cook Inlet | 152,768 | 13,804 | 9.04% | \$7.29 | 36 | 3 | \$100,638 | Bonus; \$5/acre Min | 12.5% Royalty |
| 11/14/1995 | 74W | Cook Inlet | 66,703 | 17,015 | 25.51% | \$31.76 | 16 | 4 | \$540,406 | Bonus; \$5/acre Min | 12.5% Royalty |
| 11/14/1995 | 76W | Cook Inlet | 251,614 | 14,220 | 5.65% | \$5.61 | 50 | 4 | \$79,722 | Bonus; \$5/acre Min | 12.5% Royalty |
| 11/14/1995 | 78W | Cook Inlet | 260,453 | 36,478 | 14.01% | \$7.06 | 56 | 11 | \$257,583 | Bonus; \$5/acre Min | 12.5% Royalty |
| 12/5/1995 | 80 | North Slope | 951,302 | 151,567 | 15.93% | \$22.02 | 202 | 42 | \$3,337,485 | Bonus; \$10/acre Min | 12.5% Royalty |
| 10/1/1996 | 86A** | North Slope | 15,484 | 5,901 | 38.11% | \$343.40 | 13 | 5 | \$2,026,247 | Bonus; \$100/acre Min | 16.67%&16.67-33.33% Sliding Scale Ryly |
| 12/18/1996 | 85A | Cook Inlet | 1,061,555 | 173,503 | 16.33% | \$17.92 | 234 | 44 | \$3,109,603 | Bonus; \$5/acre Min | 12.5% Royalty |
| 11/18/1997 | 86 | Beaufort Sea | 365,054 | 323,835 | 88.70% | \$86.42 | 181 | 162 | \$27,985,125 | Bonus; \$10/acre Min | 16.67% Royalty |
| 2/24/1998 | 85A-W | Cook Inlet | 757,878 | 98,011 | 12.90% | \$8.46 | 157 | 24 | \$828,807 | Bonus; \$5/acre Min | 12.5% Royalty |
| 6/24/1998 | 87 | North Slope | Areawide | 518,689 | N/A | \$99.86 | N/A | 137 | \$51,794,173 | Bonus; \$5/acre Min | 12.5% Royalty |

Summary of State Competitive Lease Sales 1959-2012

| Sale Date | Sale | Sale Area | Acres Offered | Acres Leased | Percent Leased | Average \$/Acre | Tracts Offered | Tracts Leased | Bonus Received | Bid Variable | Fixed Terms |
|------------|-------------|------------------|---------------|--------------|----------------|-----------------|----------------|---------------|----------------|--------------------------|---|
| 2/24/1999 | NS 1999 | North Slope | Areawide | 174,923 | N/A | \$14.85 | N/A | 40 | \$2,596,838 | Bonus; \$5/acre Min | 12.5% Royalty |
| 4/21/1999 | CI 1999 | Cook Inlet | Areawide | 114,514 | N/A | \$10.75 | N/A | 41 | \$1,436,685 | Bonus; \$5/acre Min | 12.5% Royalty |
| 8/16/2000 | CI 2000 | Cook Inlet | Areawide | 100,480 | N/A | \$9.15 | N/A | 27 | \$919,750 | Bonus; \$5/acre Min | 12.5% Royalty |
| 11/15/2000 | BS 2000 | Beaufort Sea | Areawide | 25,840 | N/A | \$13.13 | N/A | 11 | \$338,922 | Bonus; \$10/acre Min | 12.5% & 16.67% Royalty |
| 11/15/2000 | NS 2000 | North Slope | Areawide | 652,355 | N/A | \$15.41 | N/A | 145 | \$10,052,665 | Bonus; \$5/acre Min | 12.5% & 16.67% Royalty |
| 5/9/2001 | CI 2001 | Cook Inlet | Areawide | 102,523 | N/A | \$9.05 | N/A | 29 | \$928,085 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/9/2001 | NSF 2001 | NS Foothills | Areawide | 858,811 | N/A | \$11.41 | N/A | 170 | \$9,799,277 | Bonus; \$5/acre Min | 12.5% Royalty |
| 10/24/2001 | BS 2001 | Beaufort Sea | Areawide | 36,331 | N/A | \$94.90 | N/A | 24 | \$3,447,734 | Bonus; \$10/acre Min | 12.5% & 16.67% Royalty |
| 10/24/2001 | NS 2001 | North Slope | Areawide | 434,938 | N/A | \$15.89 | N/A | 146 | \$6,911,572 | Bonus; \$5/acre Min | 12.5% & 16.67% Royalty |
| 5/1/2002 | CI 2002 | Cook Inlet | Areawide | 64,923 | N/A | \$7.05 | N/A | 21 | \$421,841 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/1/2002 | NSF 2002† | NS Foothills | Areawide | 213,374 | N/A | \$14.32 | N/A | 51 | \$2,889,532 | Bonus; \$5/acre Min | 12.5% Royalty |
| 10/24/2002 | BS 2002 | Beaufort Sea | Areawide | 19,226 | N/A | \$26.34 | N/A | 15 | \$506,405 | Bonus; \$10&\$10/ac Min | 12.5%, 16.67% & 20% Royalty |
| 10/24/2002 | NS 2002 | North Slope | Areawide | 32,315 | N/A | \$17.94 | N/A | 12 | \$579,728 | Bonus; \$10/acre Min | 12.5% & 16.67% & 16.67-33.33% Sliding Scale Rylty |
| 5/7/2003 | CI 2003 | Cook Inlet | Areawide | 73,869 | N/A | \$9.34 | N/A | 27 | \$689,949 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/7/2003 | NSF 2003 | NS Foothills | Areawide | 5,760 | N/A | \$6.35 | N/A | 1 | \$36,576 | Bonus; \$5/acre Min | 12.5% Royalty |
| 10/29/2003 | BS 2003 | Beaufort Sea | Areawide | 36,995 | N/A | \$36.71 | N/A | 20 | \$1,358,187 | Bonus; \$5 & \$10/ac Min | 12.5% & 16.66667% Royalty |
| 10/29/2003 | NS 2003** | North Slope | Areawide | 210,006 | N/A | \$17.08 | N/A | 75 | \$3,586,400 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 5/19/2004 | CI 2004* | Cook Inlet | Areawide | 227,475 | N/A | \$7.33 | N/A | 72 | \$1,667,967 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/19/2004 | NSF 2004 | NS Foothills | Areawide | 19,796 | N/A | \$5.37 | N/A | 5 | \$106,305 | Bonus; \$5/acre Min | 12.5% Royalty |
| 10/27/2004 | BS 2004 | Beaufort Sea | Areawide | 113,570 | N/A | \$36.90 | N/A | 28 | \$4,190,782 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 10/27/2004 | NS 2004** | North Slope | Areawide | 197,916 | N/A | \$38.40 | N/A | 57 | \$7,599,193 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 5/18/2005 | CI 2005* | Cook Inlet | Areawide | 174,661 | N/A | \$5.98 | N/A | 55 | \$1,044,661 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/18/2005 | NSF 2005 | NS Foothills | Areawide | 55,505 | N/A | \$5.76 | N/A | 12 | \$319,959 | Bonus; \$5/acre Min | 12.5% Royalty |
| 10/26/2005 | AK PEN 2005 | Alaska Peninsula | Areawide | 190,494 | N/A | \$6.03 | N/A | 37 | \$1,149,253 | Bonus; \$5/acre Min | 12.5% Royalty |
| 3/1/2006 | BS 2006 | Beaufort Sea | Areawide | 204,260 | N/A | \$37.62 | N/A | 62 | \$7,685,032 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 3/1/2006 | NS 2006** | North Slope | Areawide | 564,600 | N/A | \$27.88 | N/A | 145 | \$15,741,677 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 5/24/2006 | CI 2006 | Cook Inlet | Areawide | 222,064 | N/A | \$13.19 | N/A | 71 | \$2,845,843 | Bonus; \$10/acre Min | 12.5% Royalty |
| 5/24/2006 | NSF 2006 | NS Foothills | Areawide | 160,750 | N/A | \$7.50 | N/A | 45 | \$1,274,224 | Bonus; \$5/acre Min | 12.5% Royalty |
| 10/25/2006 | BS 2006A** | Beaufort Sea | Areawide | 29,157 | N/A | \$20.57 | N/A | 13 | \$521,871 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 10/25/2006 | NS 2006A** | North Slope | Areawide | 138,088 | N/A | \$14.27 | N/A | 44 | \$2,079,006 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 2/28/2007 | AK PEN 2007 | Alaska Peninsula | Areawide | 5,728 | N/A | \$6.77 | N/A | 1 | \$38,778 | Bonus; \$5/acre Min | 12.5% Royalty |
| 2/28/2007 | NSF 2007 | NS Foothills | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/23/2007 | CI 2007 | Cook Inlet | Areawide | 133,858 | N/A | \$13.30 | N/A | 45 | \$1,780,415 | Bonus; \$10/acre Min | 12.5% Royalty |
| 10/24/2007 | BS 2007** | Beaufort Sea | Areawide | 43,250 | N/A | \$13.24 | N/A | 21 | \$704,582 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 10/24/2007 | NS 2007** | North Slope | Areawide | 64,421 | N/A | \$20.37 | N/A | 18 | \$1,223,726 | Bonus; \$10/acre Min | 12.5% & 16.66667% Royalty |
| 2/27/2008 | AP 2008 | Alaska Peninsula | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Bonus; \$5/acre Min | 12.5% Royalty |
| 2/27/2008 | FH 2008 | NS Foothills | Areawide | 26,607 | N/A | \$5.20 | N/A | 5 | \$138,356 | Bonus; \$5/acre Min | 12.5% Royalty |
| 5/21/2008 | CI 2008 | Cook Inlet | Areawide | 10,989 | N/A | \$11.95 | N/A | 9 | \$172,374 | Bonus; \$10/acre Min | 12.5% Royalty |
| Sale Date | Sale | Sale Area | Acres Offered | Acres Leased | Percent Leased | Average \$/Acre | Tracts Offered | Tracts Leased | Bonus Received | Bid Variable | Fixed Terms |

Summary of State Competitive Lease Sales 1959-2012

| | | | | | | | | | | | | |
|-------------------------|---------------|------------------|----------|---------|-----|---------|-----|-----|-------------------|--|---------------------------------|------------------------|
| 10/22/2008 | BS 2008** | Beaufort Sea | Areawide | 75,820 | N/A | \$25.74 | N/A | 32 | \$1,951,912 | Bonus: \$10/acre Min | 12.5% & 16.66667% Royalty | |
| 10/22/2008 | NS 2008** | North Slope | Areawide | 197,774 | N/A | \$28.92 | N/A | 60 | \$5,719,724 | Bonus: \$10/acre Min | 12.5% & 16.66667% Royalty | |
| 5/20/2009 | AP 2009 | Alaska Peninsula | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Bonus: \$5/acre Min | 12.5% Royalty | |
| 5/20/2009 | CI 2009 | Cook Inlet | Areawide | 5,733 | N/A | \$14.07 | N/A | 4 | \$80,678 | Bonus: \$10/\$1000/acre Min | 12.5% Royalty & 17.707% Royalty | |
| 10/22/2009 | BS 2009 | Beaufort Sea | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Postponed | | |
| 10/22/2009 | FH 2009 | NS Foothills | Areawide | 0 | N/A | \$5.22 | N/A | 0 | \$0 | Bonus: \$5/acre Min Lease Forfeited | 12.5% Royalty | |
| 10/22/2009 | NS 2009 | North Slope | Areawide | 303,346 | N/A | \$26.50 | N/A | 80 | \$803,923 | Bonus: \$10/acre Min | 12.5% & 16.66667% Royalty | |
| 2/24/2010 | BS 2010 | Beaufort Sea | Areawide | 41,579 | N/A | \$17.41 | N/A | 18 | \$724,102 | Bonus: \$10/acre Min | 12.5% & 16.66667% Royalty | |
| 5/26/2010 | AP 2010 | Alaska Peninsula | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Bonus: \$5/acre Min | 12.5% Royalty | |
| 5/26/2010 | CI 2010 | Cook Inlet | Areawide | 104,629 | N/A | \$16.40 | N/A | 35 | \$1,716,407 | Bonus: \$10/acre Min | 12.5% Royalty | |
| 10/27/2010 | FH2010 | NS Foothills | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Bonus: \$5/acre Min | 12.5% Royalty | |
| 10/27/2010 | NS2010** | North Slope | Areawide | 602,880 | N/A | \$14.62 | N/A | 129 | \$8,671,557 | Bonus: \$10/acre Min | 12.5% & 16.66667% Royalty | |
| 10/27/2010 | BS2010A | Beaufort Sea | Areawide | 62,965 | N/A | \$10.08 | N/A | 21 | \$634,485 | Bonus: \$10/acre Min | 12.5% & 16.66667% Royalty | |
| 6/22/2011 | AP 2011 | Alaska Peninsula | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Bonus: \$5/acre Min | 12.5% Royalty | |
| 6/22/2011 | CI 2011 A & B | Cook Inlet | Areawide | 545,050 | N/A | \$20.16 | N/A | 108 | \$10,986,826 | Bonus: \$10/\$50/acre Min | 12.5% Royalty | |
| 12/7/2011 | FH2011 | NS Foothills | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Bonus: \$10/acre Min | 12.5% Royalty | |
| 12/7/2011 | †BS2011W | Beaufort Sea | Areawide | 281,095 | N/A | \$24.46 | N/A | 78 | \$6,874,657 | Bonus: \$10/\$25 acre Min | 12.5% & 16.66667% Royalty | |
| 12/7/2011 | NS2011W** | North Slope | Areawide | 289,433 | N/A | \$40.90 | N/A | 161 | \$11,838,289 | Bonus: \$10/\$25 acre Min | 12.5% & 16.66667% Royalty | |
| 5/16/2012 | AP 2012 | Alaska Peninsula | Areawide | 0 | N/A | \$0.00 | N/A | 0 | \$0 | Bonus: \$5/acre Min | 12.5% Royalty | |
| 5/16/2012 | †CI 2012 | Cook Inlet | Areawide | 197,795 | N/A | \$34.71 | N/A | 51 | \$6,865,835 | Bonus: \$25/acre Min | 12.5% Royalty | |
| 11/7/2012 | †FH 2012 | NS Foothills | Areawide | 46,080 | N/A | \$20.88 | N/A | 8 | \$961,920 | Bonus: \$10/acre Min | 12.5% Royalty | |
| 11/7/2012 | †BS 2012W | Beaufort Sea | Areawide | 99,200 | N/A | \$17.96 | N/A | 26 | \$1,781,235 | Bonus: \$10/\$25 acre Min | 12.5% & 16.66667% Royalty | |
| 11/7/2012 | †NS 2012W** | North Slope | Areawide | 165,179 | N/A | \$69.60 | N/A | 88 | \$11,497,178 | Bonus: \$10/\$25 acre Min | 12.5% & 16.66667% Royalty | |
| TOTAL: 134 Sales | | | | | | | | | 19,542,645 | \$108.16 | 6,912 | \$2,113,718,322 |

* Economic Incentive Credits were offered for these sales.

** Sale 86A: State received \$259,435; ASRC received \$1,766,812

† NSF 2002 Bonus does not include 20% of Bonus bid (\$1.25 million) retained by the state for relinquished tracts.

** NS 2003: State received \$3,546,578; ASRC received \$39,822.

** NS 2004: State received \$7,496,152; ASRC received \$103,040

** NS 2006: State received \$97,861.73; ASRC received \$67,339.92

** BS 2006A: State received \$33,843.85; ASRC received \$688.66

** NS 2006A: State received \$37,897.00; ASRC received \$23,331.88

** BS 2007: State received \$78,414.84; ASRC received \$2,093.21

** NS 2007: State received \$33,477.66; ASRC received \$23,222.34

** BS 2008: State received \$28,282.55; ASRC received \$550.71

** NS 2008 State received \$321,584.21; ASRC received \$148,840.60

** NS 2009 State received \$767,493.34; ASRC received \$36,429.97

**NS 2010 State received \$8,823,827.03; ASRC received \$6,476.20

† Acres Leased. Average \$/Acre, and Bonus Received are preliminary figures.

**NS 2011 State received \$11,778,432.59; ASRC received \$59,856.59

State Competitive Sale Areas 1959-2012

| DATE | SALE | |
|----------|------|--|
| 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 |
| 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 |
| 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: Kugaruk 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 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 |

State Competitive Sale Areas 1959-2012

| | | |
|----------|---------------------------|---|
| 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 |
| 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 & Trading Bay, Kenai Pen., uplands; upper 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 |
| 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 | Shavirovik: 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: State acreage between NPRA and ANWR north of the Umiat Baseline |
| 02/24/99 | North Slope Areawide 1999 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 04/21/99 | Cook Inlet Areawide 1999 | State acreage between Anchor Pt. and Houston |
| 08/16/00 | Cook Inlet Areawide 2000 | State acreage between Anchor Pt. and Houston |

State Competitive Sale Areas 1959-2012

| | | |
|----------|-------------------------------------|---|
| 11/15/00 | North Slope Areawide 2000 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 11/15/00 | Beaufort Sea Areawide 2000 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 05/16/01 | Cook Inlet Areawide 2001 | State acreage between Anchor Pt. and Houston |
| 05/16/01 | North Slope Foothills Areawide 2001 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 10/24/01 | North Slope Areawide 2001 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/24/01 | Beaufort Sea Areawide 2001 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 05/01/02 | Cook Inlet Areawide 2002 | State acreage between Anchor Pt. and Houston |
| 05/01/02 | North Slope Foothills Areawide 2002 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 10/24/02 | North Slope Areawide 2002 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/24/02 | Beaufort Sea Areawide 2002 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 05/07/03 | Cook Inlet Areawide 2003 | State acreage between Anchor Pt. and Houston |
| 05/07/03 | North Slope Foothills Areawide 2003 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 10/29/03 | North Slope Areawide 2003 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/29/03 | Beaufort Sea Areawide 2003 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 05/19/04 | Cook Inlet Areawide 2004 | State acreage between Anchor Pt. and Houston |
| 05/19/04 | North Slope Foothills Areawide 2004 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 10/27/04 | North Slope Areawide 2004 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/27/04 | Beaufort Sea Areawide 2004 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 05/18/05 | Cook Inlet Areawide 2005 | State acreage between Anchor Pt. and Houston |
| 05/18/05 | North Slope Foothills Areawide 2005 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 10/26/05 | Alaska Peninsula Areawide 2005 | State acreage between Nushagak and Kvichak Bays to Moffet Point |
| 03/01/06 | North Slope Areawide 2006 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 03/01/06 | Beaufort Sea Areawide 2006 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 05/24/06 | Cook Inlet Areawide 2006 | State acreage between Anchor Pt. and Houston |
| 05/24/06 | North Slope Foothills Areawide 2006 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 10/25/06 | North Slope Areawide 2006A | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/25/06 | Beaufort Sea Areawide 2006A | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 02/28/07 | Alaska Peninsula Areawide 2007 | State acreage between Nushagak and Kvichak Bays to Moffet Point |
| 02/28/07 | North Slope Foothills Areawide 2007 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 05/23/07 | Cook Inlet Areawide 2007 | State acreage between Anchor Pt. and Houston |
| 10/24/07 | North Slope Areawide 2007 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/24/07 | Beaufort Sea Areawide 2007 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 02/27/08 | Alaska Peninsula Areawide 2008 | State acreage between Nushagak and Kvichak Bays to Moffet Point |
| 02/27/08 | North Slope Foothills Areawide 2008 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 05/21/08 | Cook Inlet Areawide 2008 | State acreage between Anchor Pt. and Houston |
| 10/22/08 | North Slope Areawide 2008 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/22/08 | Beaufort Sea Areawide 2008 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 5/20/09 | Alaska Peninsula Areawide 2009 | State acreage between Nushagak and Kvichak Bays to Moffet Point |
| 5/20/09 | Cook Inlet Areawide 2009 | State acreage between Anchor Pt. and Houston |
| | Beaufort Sea Areawide 2009 | Sale was postponed |
| 10/28/09 | North Slope Areawide 2009 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/28/09 | North Slope Foothills Areawide 2009 | State acreage between NPRA and ANWR south of the Umiat Baseline |
| 2/24/10 | Beaufort Sea Areawide 2010 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 5/26/10 | Alaska Peninsula Areawide 2010 | State acreage from the Nushagak Peninsula in the north, down the north side of the Alaska Peninsula to the vicinity of Cold Bay |

State Competitive Sale Areas 1959-2012

| | | |
|----------|-------------------------------------|---|
| 5/26/10 | Cook Inlet Areawide 2010 | State acreage between Anchor Point and Houston |
| 10/27/10 | North Slope Foothills Areawide 2010 | State acreage between NPRA and ANWR, south of the Umiat Baseline |
| 10/27/10 | North Slope Areawide 2010 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 10/27/10 | Beaufort Sea Areawide 2010A | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 6/22/11 | Alaska Peninsula Areawide 2011 | State acreage from the Nushagak Peninsula in the north, down the north side of the Alaska Peninsula to the vicinity of Cold Bay |
| 6/22/11 | Cook Inlet Areawide 2011 | State acreage between Anchor Point and Houston |
| 12/7/11 | North Slope Foothills Areawide 2011 | State acreage between NPRA and ANWR, south of the Umiat Baseline |
| 12/7/11 | North Slope Areawide 2011 | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 12/7/11 | Beaufort Sea Areawide 2011 | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |
| 5/16/12 | Alaska Peninsula Areawide 2012 | State acreage from the Nushagak Peninsula in the north, down the north side of the Alaska Peninsula to the vicinity of Cold Bay |
| 5/16/12 | Cook Inlet Areawide 2012W | State acreage between Anchor Point and Houston |
| 11/7/12 | North Slope Foothills Areawide 2012 | State acreage between NPRA and ANWR, south of the Umiat Baseline |
| 11/7/12 | North Slope Areawide 2012W | State acreage between NPRA and ANWR north of the Umiat Baseline |
| 11/7/12 | Beaufort Sea Areawide 2012W | State acreage within the 3-mile limit, between Dease Inlet and Barter Island |

Exploration Licensing

Exploration licensing supplements the state's oil and gas leasing program and encourages oil and gas exploration outside of the known oil and gas provinces in the Alaska Peninsula, Cook Inlet, Beaufort Sea, North Slope, and North Slope Foothills areas.

The holder of an oil and gas exploration license has the exclusive right to explore an area between 10,000 acres and 500,000 acres for up to ten years. Rather than an up-front bonus payment to the state, as is done in competitive leasing, a licensee must commit direct expenditures for exploration.

Because a license has no annual rental payments, the only money guaranteed the state is a one-time \$1 per acre licensing fee, which is paid upon acceptance. However, the state is provided all of the geological and geophysical information acquired by the licensee so it may evaluate an area's resource potential.

Each application for an exploration license must go through a public notice and written finding process to determine whether issuance of a license is in the state's best interest. DNR first issues a notice of intent to evaluate the exploration license proposal and solicits any competing proposals for the area. It then requests public comment on the proposal(s) and goes through a written finding process similar to that for oil and gas leasing to determine whether issuing a license for the area is in the best interest of the state.

If competing proposals are submitted for an area, the applicants must submit sealed bids. The successful bidder is determined by the highest bid in terms of the minimum work commitment dollar amount.

The licensee must commit 25 percent of the total specified work commitment by the fourth anniversary of the exploration license. Once the total work commitment is met, the licensee may convert all or a portion of the license area to oil and gas leases without going through a competitive bidding process. Upon conversion, the lessee begins paying the state annual rental fees of \$3 per acre. Should exploration lead to development and production, the state is entitled to a royalty share of at least 12.5 percent.

Licensing Program

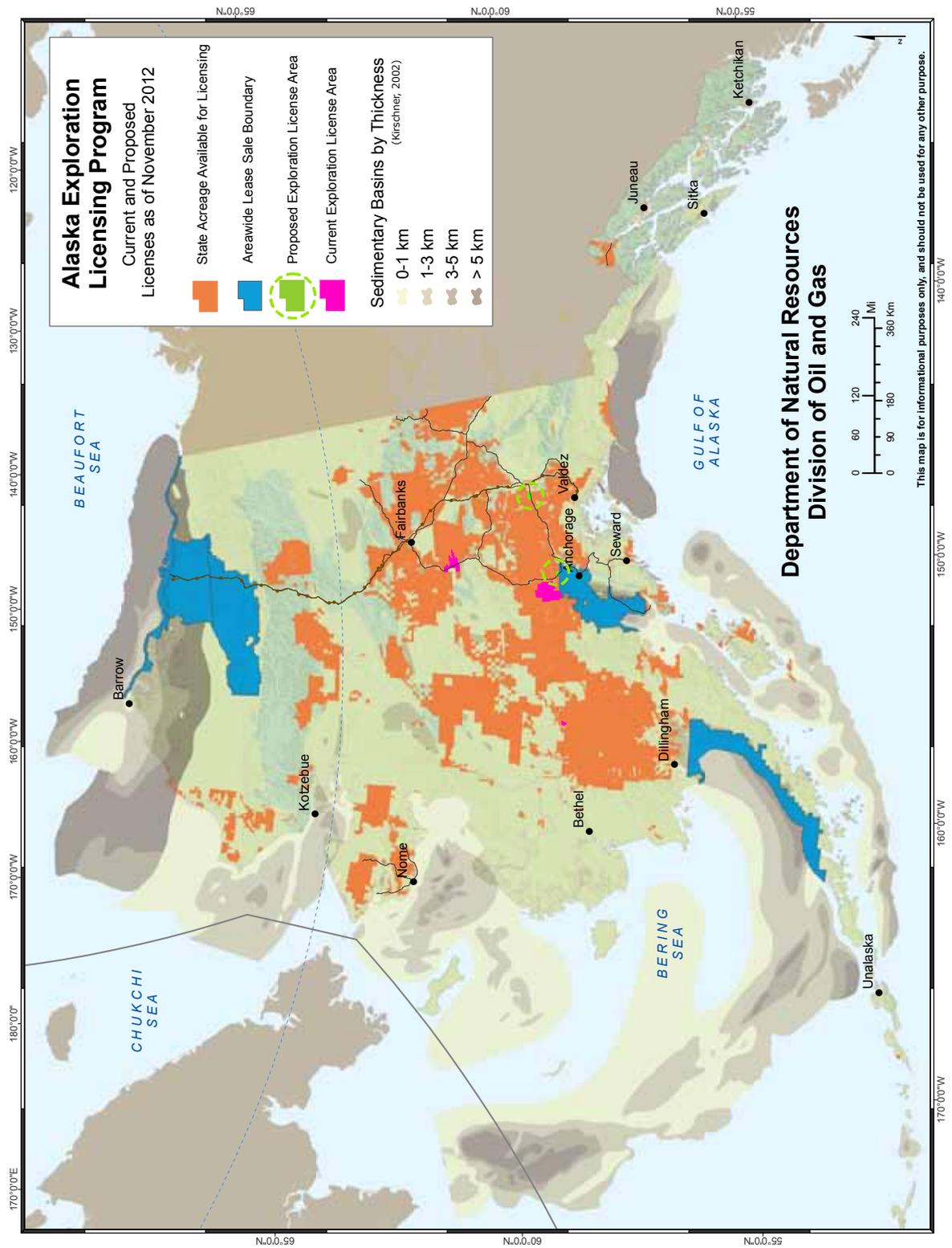
DNR accepts proposals for oil and gas exploration licenses during April of each year, as specified in 11 AAC 82.909. Land not eligible for licensing is specified in AS 38.05.131. The following table shows current active licenses and pending applications, and their current status.

- The Holitna exploration license was issued on February 1, 2012, and its issuance has been appealed to the Supreme Court.
- A five-year exploration license was issued for Susitna Basin V on April 1, 2012.
- The Houston-Willow application has received public notice and is pending issuance of a preliminary best interest finding. Ahtna, Inc. applied for an exploration license in the Copper River Basin in April 2012.
- The Nenana Basin exploration license is currently in the process of being converted to leases. This is the first time an exploration license of this size has resulted in a conversion to leases.

Exploration Licenses

| Location | ADL/ Status | Licensee | Acres | Work Commitment | Effective Date | Term |
|-----------------------|--------------------------------|--------------------------------------|---------|-----------------|----------------|--------|
| Susitna Basin II* | 390078 Active | Cook Inlet Energy LLC | 471,474 | \$3,000,000 | 11/1/2003 | 10 Yrs |
| Nenana Basin | 390079 In conversion to leases | Doyon Ltd; ASRC; Usibelli Energy LLC | 482,942 | \$2,525,000 | 10/1/2002 | 10 Yrs |
| Holitna Basin | 390607 Active | Holitna Energy Co. LLC | 26,791 | \$80,373 | 2/1/2012 | 3 Yrs |
| Healy Basin | 390606 Active | Usibelli Coal Mine Inc. | 197,635 | \$500,000 | 1/1/2011 | 10 Yrs |
| Houston- Willow Basin | 391282 Application | Dan Donkel and Sam Cade | 21,080 | \$500,000 | Proposed | 10 Yrs |
| Susitna Basin IV | 391628 Active | Cook Inlet Energy LLC | 62,909 | \$2,250,000 | 4/1/2011 | 10 Yrs |
| Susitna Basin V | 391794 Active | Cook Inlet Energy LLC | 45,764 | \$250,000 | 4/1/2012 | 5 Yrs |
| Copper River Basin | 392209 Application | Ahtna, Inc. | 46,080 | \$415,000 | Proposed | 5 Yrs |

* License extended from seven to ten years on November 1, 2010. Cook Inlet Energy LLC committed an additional \$750,000.00 in work commitments.



Geothermal Leasing

DNR has held a three geothermal disposal sales, all for areas along the southern flanks of Mount Spurr, located about 40 miles northwest of Tyonek. The first two sales, held in 1983 and 1986, did not result in any development. In 2006, amid renewed interest in Alaska's geothermal resource potential, DNR received requests from industry to make Mt. Spurr available for geothermal leasing again. On September 10, 2008, DNR held the Mount Spurr Geothermal Lease Sale No. 3, and received 20 bids on all 16 available tracts, generating \$3,527,073.34 in bonus bids.

DNR has also received interest in geothermal resource development on Augustine Island, located in lower Cook Inlet. A finding determining that it is in the state's best interest to offer the area for geothermal disposal will be issued in January 2013, and 26 tracts on the island will be offered for competitive bidding in the Spring 2013 Lease Sale.

Procedures addressing geothermal resources are set out in 11 AAC 84.700 through .950. For areas of known geothermal potential, the commissioner may designate a proposed geothermal disposal area comprised of individual tracts of not more than 2,560 acres, and invites public comment on the proposed area, and applications for the tracts during a specified time period. After reviewing available geologic information and the response to the call for applications, the commissioner determines whether to offer the tracts for competitive leasing, or issue noncompetitive geothermal prospecting permits. Noncompetitive prospecting permits may be issued for tracts receiving only one application; tracts receiving two or more applications must be leased com-

petitively. A determination that the lease sale is in the best interests of the state of Alaska is required before the lease sale can occur.

The competitive geothermal lease sale process is conducted in the same manner as for oil and gas lease sales, which consist of a public opening and reading of sealed bonus bids. The highest qualified bidder per acre on a tract is awarded the lease.

Geothermal leases are issued for a primary term of ten years, with one five year extension possible if the lessee has begun operations necessary to drill a geothermal well. Geothermal lease extension requirements are set out in 11 AAC 84.745. Once commercial production has begun, leases will be extended for the duration of commercial production. Annual lease rentals are \$3 per acre, and the state's royalty rate is 1.75 percent of the gross revenues derived from the production, sale, or use of geothermal resources under the lease during the first ten years immediately following the date the geothermal resources first generates gross income. After the first ten-year period, the State receives 3.5 percent of the gross revenues derived from the production, sale or use of geothermal resources under the lease.

Ormat Nevada is at the time of this publication in the process of relinquishing 8 of its 15 leases on Mount Spurr, totalling 18,096.08 acres. As this process is not finalized, the table below reflects the situation prior to that relinquishment.

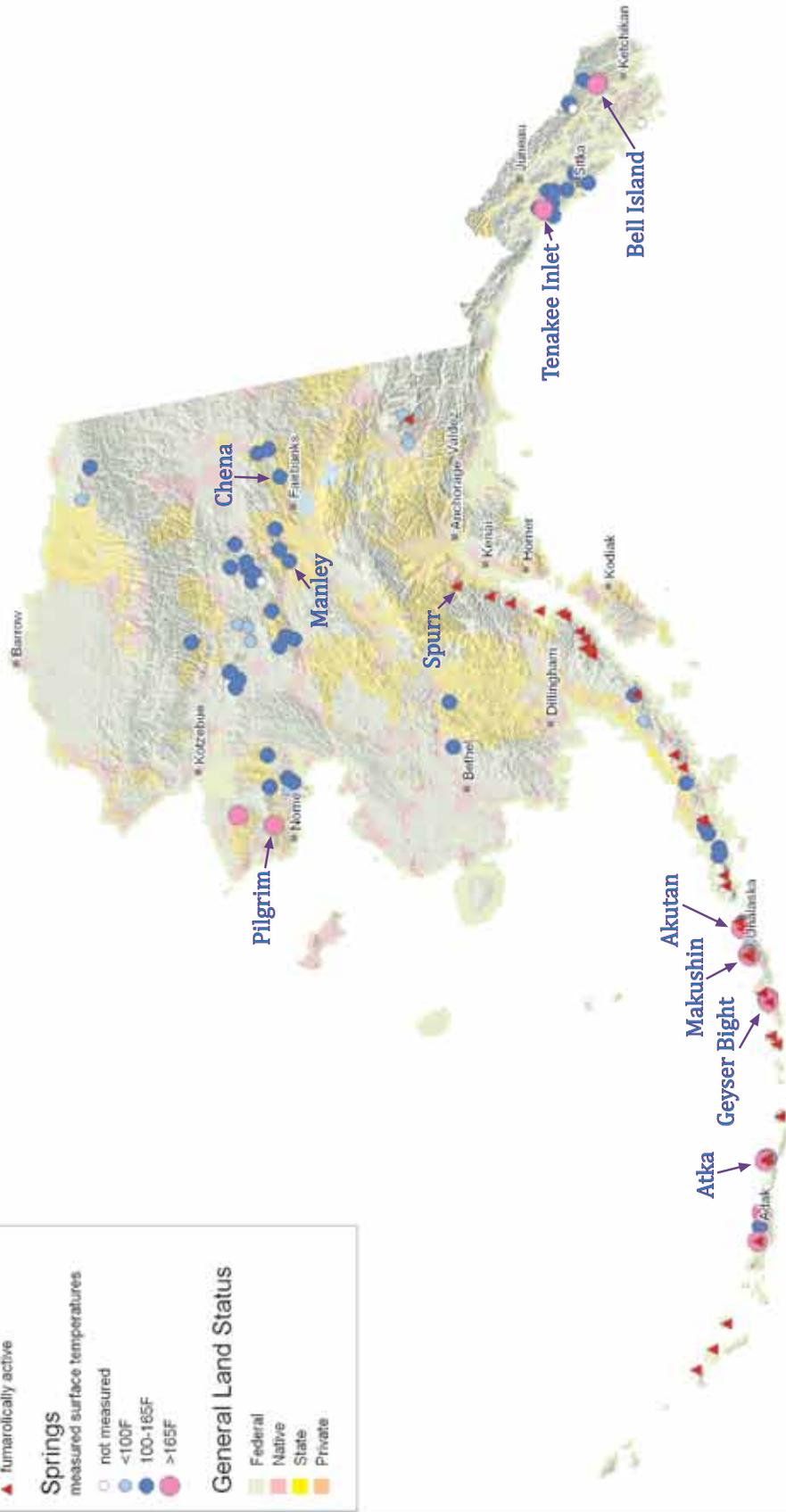
For more information on the state's geothermal leasing program, please see the division's web page at <http://dog.dnr.alaska.gov/Leasing/GeothermalLeasing.htm>

Active Geothermal Leases

| Location | ADL | Lessee | Acres | Effective Date | Expires |
|-----------|-----------------|-------------------|-----------|----------------|------------|
| Mt. Spurr | 391354 - 391368 | Ormat Nevada Inc. | 35,806.90 | 11/1/2008 | 10/31/2018 |
| Mt. Spurr | 391369 | Chad Attermann | 250.23 | 11/1/2008 | 10/31/2018 |

Geothermal Resources in Alaska

surface manifestations



DNR / Geological & Geophysical Surveys
2008

Data from: Motyka, R.J., Moorman, M.A., and Liss, S.A., 1983, Geothermal resources of Alaska: Alaska Division of Geological & Geophysical Surveys Miscellaneous Publication 8, 1 sheet, scale 1:2,500,000.
<http://www.dggs.state.ak.us/pubs/pubs?reqtype=citation&ID=671>

Qualifications for Bidding

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 also must 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, 550 West 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3560. Hand-carried material should be delivered to the same address.

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

11 AAC 82.205(a)(2). Individuals must submit a signed, dated statement that includes the applicant's name, address, and 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), a citizen of the United States or an alien qualified under AS 38.05.190.

Forms may be obtained from the Division of Oil and Gas upon request, or online at: http://www.dog.dnr.state.ak.us/oil/programs/leasing/leaseadmin/stmn-qual_rev04-09.pdf 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.

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 and LLCs

Corporations must submit:

- 1) the current name, mailing address, phone and fax numbers of the corporation;
- 2) a list of the individuals (officers for corporations; members/managers for LLCs) 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/member/manager but who has been authorized by the corporation/LLC to act on its behalf with respect to the mineral specified in the permit or lease;
- 4) a current Certificate of Compliance (Certificate of Good Standing) for those corporations qualified to do business in Alaska;

-or-

- 5) if filing for the first time, either:
 - a) a Certificate of Incorporation (Certificate of Organization for an LLC) from those corporations which have been incorporated in the state of Alaska (also known as "domestic" corporations), or
 - b) a Certificate of Authority (Certificate of Registration for an LLC) from those corporations which have been incorporated outside the state of Alaska (also known as "foreign" corporations).

The required certificates must be requested from the Alaska Department of Commerce, Community and Economic Development (DCCED). Certificates may be purchased online at www.dced.state.ak.us/occ/, e-mail: corporations@alaska.gov.

These documents may also be obtained by mail from:

Alaska Department of Commerce, Community and Economic Development (DCCED)
Attention: Corporations Section
9th Floor, State Office Building
P. O. Box 110808
Juneau, Alaska 99811-0808
(907) 465-2530

-or-

Alaska Department of Commerce and
Economic Development
Attention: Corporations Section
550 W 7th Ave., Suite 1500
Anchorage, Alaska 99501
(907) 269-8173

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, partnerships or joint ventures must submit:

- 1) a statement describing the business relationships between members of the association, partnership or joint venture;
- 2) a statement of qualifications for each member of the association, partnership, or joint venture (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, association or joint venture.

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. Qualified parties are responsible for ensuring that any changes in this information is updated with the division.

Sources:

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

Further Information

For further information regarding qualifying for Alaska oil and gas leases, please contact the State of Alaska, Department of Natural Resources, Division of Oil and Gas, 550 West 7th Avenue, Suite 1100; Anchorage, Alaska 99501-3560; Phone (907) 269-8810 or visit our Web site at <http://www.dog.dnr.state.ak.us>.

Summary of Oil and Gas Incentives

Alaska has adopted exploration and development incentive programs to encourage active exploration and the timely development of the state's oil and gas resources. These programs are described below.

Department of Revenue (DOR) Production Tax Credits under AS 43.55

Under AS 43.55.011(e) and (g), the State assesses a production tax between 25 and 75% of a measure of production tax value. In determining production tax value, field operating and capital expenditures ("lease expenditures") are deductible from the gross value at the point of production. In the Cook Inlet, there is a tax ceiling; the production tax on oil produced anywhere in Cook Inlet is zero. For natural gas produced in the Cook Inlet, production taxes are generally capped at approximately \$0.18 per thousand cubic feet. For gas produced anywhere in the State and sold in state, the production tax is capped at \$0.18 per thousand cubic feet. Effective January 1, 2013, under AS 43.55.011(p), for areas south

of 68 degrees North latitude and outside Cook Inlet the production tax is limited to a maximum of 4% of the gross value for the first seven years of commercial production. Commercial production must begin before 2022 to be eligible for this limit. For more information on the DOR Production Tax Credits summarized below please contact Destin Greeley at (907) 269-6642.

Qualified Capital Expenditures (QCE) Credit under AS 43.55.023(a)

The QCE credit is a 20% credit based on Qualified Capital Expenditures, as defined by AS 43.55.023(o).¹ The QCEs must also be Allowable Lease Expenditures under AS 43.55.165. If the expenditures are incurred in connection with geological or geophysical exploration or an exploration well under AS 43.55.023(a)(2), then there are also certain data requirements² that must be met with the Department of Natural Resources (DNR). For more information on these data requirements please contact Heather Ann Heusser at (907) 269-0137.

The QCE credit cannot be taken from the same expenditure that is the basis of the credit taken under AS 43.55.023(l) for Well Lease Expenditures (see below), or under AS 43.55.025 (see below). The lease expenditure that is the basis of the BCE is still deductible in computing a taxpayer's taxable income, and can be the basis of a Carried-Forward Annual Loss Credit under AS 43.55.023(b) (see below).

Uses of Credit

Half of this credit may be applied³ directly against a producer's tax liability in the year it was incurred by taking the total credit allowed for the year and applying it equally against the liability for each month of the year.⁴ This credit may also be requested as a tax credit certificate⁵, but no more frequently than once per calendar quarter⁶. To receive a credit certificate, an application⁷ must be submitted to the Department of Revenue (DOR) with all relevant backup required under regulation⁸ after the expenditures have been incurred.⁹ The DOR has until the later of 120 days from the date that the application is received by the Department or 120 days from March 31 of the calendar year following the calendar year in which the expenditures were incurred¹⁰ to grant or deny the application. Credits for expenditures incurred North of 68 degrees North latitude (North Slope), are issued as two equal certificates – one available in the year issued and the other available in the calendar year following the calendar year in which it was issued.¹¹ Credits for expenditures south of 68 degrees North latitude, including "Middle Earth"¹² and Cook Inlet, may be issued as one certificate all available in the year it was issued.¹³ If the credit is issued as a certificate, the credit certificate may then be sold or transferred to another company, applied to tax liability under AS 43.55.011(e)¹⁴, or if all requirements are met under AS 43.55.028, redeemed for cash from the state by the original applicant. The credit may not be used to reduce a person's tax liability below zero for any tax year.¹⁵

Pertinent Statutes and Regulations

AS 43.55.023; AS 43.55.165-170; 15 AAC 55.250-290; 15 AAC 55.305-381; 15 AAC 55.900

Carried-Forward Annual Loss Credit under AS 43.55.023(b)

The carried-forward annual loss credit is 25% of a producer or explorer's adjusted lease expenditures¹⁶ that were not deductible in calculating production tax values for that calendar year under AS 43.55.160¹⁷. This credit may also be requested as a tax credit certificate¹⁸, but not earlier than January 1 of the calendar year following the calendar year in which the loss was incurred¹⁹. The Carried-Forward Annual Loss credit can be taken in conjunction with the QCE credit (see above), or the

Well Lease Expenditure credit (see below), or the Alternative Tax Credit for Oil and Gas Exploration under AS 43.55.025(1)-(4) (see below).

Uses of Credit

This credit may be applied directly against a producer's tax liability in the year following the year it was incurred by taking the total credit allowed for the year and applying it equally against the liability for each month of the year.²⁰ This credit may also be requested as a tax credit certificate²¹.

To receive a credit certificate, an application²² must be submitted to the Department of Revenue (DOR) with all relevant backup required under regulation²³ after the expenditures have been incurred.²⁴ The DOR has until the later of 120 days from the date that the application is received by the Department or 120 days from March 31st of the calendar year following the calendar year in which the expenditures were incurred²⁵ to grant or deny the application. Credits for expenditures incurred north of 68 degrees North latitude (North Slope), are issued as two equal certificates – one available in the year issued and the other available in the calendar year following the calendar year in which it was issued.²⁶ Credits for expenditures south of 68 degrees North latitude, including "Middle Earth" and Cook Inlet, may be issued as one certificate all of which is available in the year it was issued.²⁷ If the credit is issued as a certificate, the credit certificate may then be transferred to another company, applied to a tax levied by AS 43.55.011(e)²⁸, or redeemed for cash from the State by the original applicant if all requirements are met under AS 43.55.028.

Pertinent Statutes and Regulations

AS 43.55.023; AS 43.55.165-170; 15 AAC 55.250-290; 15 AAC 55.305-381; 15 AAC 55.900

Well Lease Expenditure Credit under AS 43.55.023(l)

The Well Lease Expenditure credit is a 40 percent credit based on Well Lease Expenditures incurred south of 68 degrees North latitude, which includes "Middle Earth" and Cook Inlet, after June 30, 2010. The Well Lease Expenditures must also be allowable lease expenditures under AS 43.55.165, qualified capital expenditures under AS 43.55.023(o), and intangible drilling and development costs²⁹ authorized under 26 U.S.C. (Internal Revenue Code). If the expenditures are incurred in connection with geological or geophysical exploration or an exploration well under AS 43.55.023(l)(2), then there are also certain data requirements³⁰ that must be met with the Department of Natural Resources (DNR). For more information on these data requirements, please contact Heather Ann Heusser at (907) 269-0137.

A lease expenditure that is the basis of a Well Lease

Expenditure Credit cannot also be the basis for a QCE credit (see above), or an Alternative Exploration Credit under AAS 43.55.025. However, the lease expenditure is still deductible and can be the basis of a Carried-Forward Annual Loss Credit (see above).

Uses of Credit

This credit may be applied directly against a tax levied by AS 43.55.011(e) in the year it was incurred by taking the total credit allowed for the year and applying it equally against the liability for each month of the year³¹. This credit may also be requested as a tax credit certificate³², but no more frequently than once per calendar quarter.³³ To receive a credit certificate, an application³⁴ must be submitted to the Department of Revenue (DOR) with all relevant backup required under regulation³⁵ after the expenditures have been incurred.³⁶ DOR has until the later of 120 days from the date that the application is received by the Department or 120 days from March 31st of the calendar year following the calendar year in which the expenditures were incurred³⁷ to grant or deny the application. This credit is issued as one certificate available in the year it was issued³⁸. If the credit is issued as a certificate, the credit certificate may then be transferred to another company, applied to a tax levied by AS 43.55.011(e)³⁹, or redeemed for cash from the state by the original applicant if all requirements are met under AS 43.55.028.

Pertinent Statutes and Regulations

AS 43.55.023; AS 43.55.165-170; 15 AAC 55.250-290; 15 AAC 55.305-381; 15 AAC 55.900

Alternative Tax Credit for Oil and Gas Exploration under AS43.55.025(a)(1)-(4)

Depending on the type of exploration (seismic vs. exploration well) and the location of the project a company may receive a 30 percent or 40 percent credit under AS 43.55.025. For a qualifying exploration well that is bottom holed more than 3 miles from a preexisting well, other than in Cook Inlet, and pre-approved by the commissioner of natural resources before the project commences⁴⁰ a company may receive a 30 percent credit.⁴¹ For a qualifying exploration well that is more than 25 miles outside an existing unit, or 10 miles outside of a unit in Cook Inlet, a company may receive a 30 percent credit.⁴² For a qualifying exploration well that is both more than three miles from a preexisting well and 25 miles from a unit, other than in Cook Inlet, a company may receive a 40 percent credit.⁴³ For a qualifying seismic project outside a unit, a company may receive a 40 percent credit.⁴⁴ To qualify for any credits under this section the company must submit required data sets to the Department of Natural Resources. A credit application⁴⁵ must be completed and received by the Department of Revenue within six months of the completion

of the exploration activity.⁴⁶ The application must be either submitted by a single applicant that holds a 100 percent interest in the project and incurred 100 percent of the expenditures or submitted by a designated joint applicant on behalf of and signed by all partners.⁴⁷ All credit requests under this section are audited before a certificate is issued and a tax credit certificate is always issued. These credits are only for work performed before July 1, 2016.

A 5 percent credit for exploration expenditures performed before July 1, 2003 is available for seismic exploration performed outside the boundaries of an existing production unit if the commissioner of the Department of Natural Resources determines public distribution of the seismic information is in the best interest of the state.⁴⁸

The Alternative Tax Credit cannot be taken for the same expenditure that is the basis of the QCE Credit (see above) or the Well Lease Expenditure Credit (see above). It can be taken with the Carried-Forward Annual Loss Credit (see above). For more information on prequalification and data requirements please contact Heather Ann Heusser at (907) 269-0137.

Uses of Credit

The credit itself may be applied against a producer's tax liability in the year in which it was incurred and also before the tax credit certificate is issued.⁴⁹ The credit certificate may be transferred, applied to tax liability,⁵⁰ or cashed out with the State under AS 43.55.028 by the original applicant.

Pertinent Statutes and Regulations

AS 43.55.025; 15 AAC 55.305-381

Alternative Tax Credit for Oil and Gas Exploration under AS43.55.025(a)(5) - aka the "Jack-up Rig Credit"

Signed into effect May 20, 2010⁵¹, AS 43.55.025(a)(5) and (l) were added to AS 43.55.025 to provide tax credits for a jack-up rig in Cook Inlet applicable to work performed after March 31, 2010. These sections added credits of 100% of qualifying exploration expenditures up to \$25 million for the first well, 90% of qualifying exploration expenditures up to \$22.5 million for the second well, and 80% of qualifying exploration expenditures up to \$20 million for the third well incurred for exploratory drilling with a jack-up rig in Cook Inlet. The three wells must be drilled by unaffiliated parties, use the same jack-up rig, and penetrate and evaluate a prospect in the pre-Tertiary zone. Only expenditures associated with the jack-up rig that drills the first qualifying well are eligible for the credit. The determination of whether the well perforated the Pre-Tertiary zone is made by the commissioner of DNR. If production results from the

drilling of a well that receives this credit, the operator shall repay 50 percent of credit over ten years following production startup.

This credit shall be taken in lieu of other credits under AS 43.55.023 (the QCE Credit, Well Lease Expenditure Credit, the Carried-Forward Annual Loss Credit) and AS 43.55.025(a)(1)-(4) (the Alternative Exploration Credit). For more information on data requirements please contact Heather Ann Heusser at (907) 269-0137.

Uses of Credit

The credit itself may be applied against a producer's tax liability in the year in which it was incurred and also before the certificate is issued.⁵² The credit certificate may be transferred, applied to tax liability,⁵³ or cashed out with the State under AS 43.55.028 by the original applicant.

Pertinent Statutes and Regulations

AS 43.55.025; 15 AAC 305-381

Alternative Tax Credit for Oil and Gas Exploration under AS43.55.025(a)(6)-(7) – aka Six Frontier Area Exploration Credit

Under AS 43.55.025(n)-(p), passed by the Alaska Legislature in 2012⁵⁴, a company can obtain a tax credit of 80% of drilling expenses (to a maximum per well of \$25 million) or 75% of seismic exploration expenses (to a maximum of \$7.5 million) if those expenses are incurred in one of six Alaskan frontier areas: Kotzebue, Fairbanks, Emmonak, Glennallen, Egegik, or Port Moller. The drilling credit only applies to the first four wells drilled (not more than two in any one area) or the first four seismic projects (not more than one in any area). Expenditures qualifying for these Frontier Area credits cannot also qualify for the QCE, Well Lease Expenditure, or Carry-Forward Annual Loss credits. Expenditures must be made after June 1, 2012 and before July 1, 2016 in order to qualify for this credit. For more information on prequalification and data requirements please contact Heather Ann Heusser at (907) 269-0137.

Transitional Investment Expenditure ("TIE") Credit under AS43.55.023(i)

The TIE credit is a 20% credit for qualified capital expenditures incurred between April 1, 2001, and March 31, 2006. The credit may not exceed 1/10 of the AS 43.55.023(a) QCE credit taken from the period April 1, 2006, through December 31, 2007, and may only be taken by a company that did not have commercial production before January 1, 2008.

Uses of Credit

This credit may be applied against a tax levied by AS

43.55.011(e), but not for any calendar year after 2013.⁵⁵ The credit is NOT transferable, is NOT available to be issued as a certificate, and may not be used to reduce a person's tax liability below zero for any tax year. An application form⁵⁶ must be submitted with the annual return for the year that the credit is applied with all applicable backup.

Additional Nontransferable Tax Credits (aka the "Middle Earth Credit" and "Small Producer Credit") under AS 43.55.024(a) and (c)

Under AS 43.55.024(a), a prorated credit up to \$6,000,000 may be applied against a producer's tax liability levied by AS 43.55.011(e) for a calendar year for oil and gas produced outside of Cook Inlet and south of 68 degrees North latitude⁵⁷ aka "Middle Earth"⁵⁸. This credit may not be taken after the later of 2016 or after the 9th calendar year after the calendar year in which the producer first had commercial production before May 1, 2016⁵⁹ from at least one lease or property in "middle earth".

Tax credits under AS 43.55.024(c), also known as the "small producer credit", may be applied for a calendar year in which the producer's tax liability exceeds zero against a producer's tax levied by AS 43.55.011(e) for a producer whose average amount of oil and gas produced a day and taxable under AS 43.55.011(e) is less than 100,000 BTU equivalent barrels a day. If a producer's average taxable production is more than 50,000 and less than 100,000 BTU equivalent barrels per day, a producer may apply a prorated portion of the \$12,000,000 credit for the calendar year.⁶⁰ A producer may not take a tax credit under (c) of this section after the later of 2016; or if the producer did not have commercial oil or gas production from a lease or property in the state before April 1, 2006, the ninth calendar year after the calendar year during which the producer first has commercial oil or gas production before May 1, 2016, from at least one lease or property in the state.⁶¹

Uses of Credit

These credits may be applied against a tax levied by AS 43.55.011(e). The credits are NOT transferable and are NOT available to be issued as a certificate. An unused tax credit or portion of a tax credit under this section may not be carried forward for use in a later calendar year.⁶² The credit may not be used to reduce a tax liability for any calendar year below zero.⁶³ For a calendar year during which two or more producers that qualify under AS 43.55.024(e) are succeeded through merger, acquisition, or a similar transaction by a single producer that qualifies under AS 43.55.024(e), they are each only allowed a portion of the credit.⁶⁴

DOR Income Tax Credits under AS 43.20

Natural Gas Exploration Tax Credits under AS 43.20.043

Natural gas exploration tax credits under AS 43.20.043 are applicable only to operators and working interest owners engaged in exploration for and development of natural gas resources and reserves south of 68 degrees north latitude. The program allows for a 25% tax credit equivalent of qualified capital investments made after December 31, 2009, and 25% of the annual cost of activity in the state during each tax year. The total allowable yearly tax credit, which is applicable against corporate income tax only, may not exceed 75% of the taxpayer's total tax liability. Unused tax credit may be carried forward for up to five years. Credit is transferable only as part of a conveyance, assignment, or transfer of the taxpayer's business. Credit under this program may be used in conjunction with any other credit authorized by AS 43.20, but not for tax credit or royalty modification provided under any other title. This program expires January 1, 2016.

Gas Storage Incentives

Under AS 43.20.046, passed by the Alaska Legislature in 2010, natural gas storage tax credits are established for any natural gas storage facility commencing operations between December 31, 2010 and January 1, 2016. The credit equals \$1.50 per thousand cubic feet of "working gas" storage capacity, up to lesser of \$15 million or 25% of the costs incurred to establish gas storage facility. This credit may be used to offset up to 100% of corporate income tax liability, and any excess credit is available for state purchase. In 2012 the Alaska Legislature provided for a similar credit for a liquefied natural gas storage facility, limited to \$15 million or 50% of the costs of that facility.

To receive the credit under this statute, the facility shall operate as a public utility regulated by the Regulatory Commission of Alaska (RCA) with open access for third parties. The storage capacity shall be determined by the Alaska Oil and Gas Conservation Commission (AOGCC).

Additionally, under AS 38.05.180(u), passed by the Alaska Legislature in 2010, natural gas storage that qualifies for a credit under AS 43.20.046 is exempt from rents, fees and royalties for ten years following startup of commercial operation. Non-native natural gas injected and stored in the storage reservoir is presumed to be first out. All credits and exemption from rent, fee and royalty payments shall be passed through to rate payers.

DNR Royalty Incentives under AS 38.05

Exploration Incentives under AS 38.05.180(i)

The exploration incentive statute, AS 38.05.180(i), authorizes the commissioner of the Department of Natural Resources to establish an exploration incentive credit (EIC) system. Credits may be made available for both drilling and geophysical survey costs. This EIC must be designated by the commissioner as a lease sale term for state-owned lands only and is not allowed for exploration costs on unleased acreage or land owned by the federal government or private entities.

For drilling, credits may provide up to 50% of costs incurred, depending on well depth and location. Well data shall be made publicly available after an initial two-year confidential period. If demonstrated by the lessee as necessary, confidentiality may be extended. For geophysical surveys, credits may provide up to 50% of costs incurred, 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 after the sale. Credits are granted by the commissioner for a limited period and may be assigned to a third party. 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, 22 exploratory wells qualifying for credit have been drilled on state leases. There have been no applications for geophysical EICs. The last claim for this credit was made for a well drilled in 1994.

Royalty Incentives

Under AS 38.05.180 (f)(4) (Cook Inlet Discovery Royalty) an explorer that discovers a new pool in Cook Inlet and drills a well capable of producing in paying quantities from that pool, pays only a 5% royalty for the first 10 years of production.

Under AS 38.05.180(f)(5), the state automatically grants royalty reduction for certain Cook Inlet fields identified in the statute for the first 10 years of production.

Under AS 38.05.180(f)(6), for certain platforms in the Cook Inlet, if production falls below a certain level (ranging from 750 to 1,200 barrels per day depending on the field) in barrels per day over a calendar quarter, the royalty is reduced to 5%.

Nonconventional Natural Gas Rent and Royalty Incentive

Under AS 38.05.180(n)(2), if the lessee under a gas only

lease demonstrates that the potential resources underlying the lease are reasonably estimated to be nonconventional gas, the annual rental payment on the lease will be reduced to \$1 per acre and the royalty may be reduced to 6.25%.

Royalty Modification

Under AS 38.05.180(j), the Department of Natural Resources may reduce royalties to as low as 5 percent for delineated reservoirs from which production would not otherwise be economically feasible. For a field already in production, the royalty may be reduced to as low as 3%. For more information about royalty modification, please contact Greg Bidwell at (907) 269-3565.

Exploration Licensing

The state generally awards leases in areawide competi-

tive lease sales. However, for frontier basins in Alaska, the state has issued exploration licenses under AS 38.05.132. For these licenses, instead of paying a bonus bid, the licensee specifies a work commitment and posts a bond in the amount of the work commitment along with a \$1 per acre fee. The licensee must make progress toward completing the work commitment over the term of the license. Later, the licensee has the opportunity to convert the license to a lease.

This summary is intended as an informational guide only. The State of Alaska makes no warranty, expressed or implied, as to the accuracy of this summary. To be certain of the current statutes and regulations, refer to the official printed version of the statutes and regulations.

Footnotes:

¹ Definition of a QCE was re-lettered as a revisors edit to AS 43.55.023(o) after HB 280 passed in 2010

² The data requirements are outlined in AS 43.55.025(f)(2)

³ AS 43.55.023(a)(1), no more than half the credit may be applied for in a single calendar year

⁴ Per AS 43.55.020(a)(1)

⁵ Under AS 43.55.023(d) or (m)

⁶ Per 15 AAC 55.320(a)(1)

⁷ Form 0405-330 located on the tax division website at <http://www.tax.alaska.gov//programs/programs/forms/index.aspx?60650>

⁸ See 15 AAC 55.320 and .345 for filing requirements

⁹ See regulation for "When cost is incurred" under 15 AAC 55.290

¹⁰ Per AS 43.55.023(d)

¹¹ AS 43.55.023(d)

¹² "Middle Earth" is a term commonly used to describe the land south of 68 degrees North latitude and outside of the Cook Inlet sedimentary basin

¹³ AS 43.55.023(m)

¹⁴ 15 AAC 55.381(b) allows for the credit certificate under this section to be applied against a single monthly installment payment

¹⁵ No credit or portion of credit may be used to reduce a person's tax liability under AS 43.55.011(e) for any calendar year below zero. See; 43.55.023(c); 43.55.025(f) and (g); and 43.55.025(i)

¹⁶ Under AS 43.55.165 and .170

¹⁷ For an explorer with a zero GVPP, this calculation is 25% of their adjusted lease expenditures

¹⁸ Under AS 43.55.023(d) or (m)

¹⁹ Per 15 AAC 55.320(a)(2)

²⁰ Per AS 43.55.020(a)(1)

²¹ Under AS 43.55.023(d) or (m)

²² Form 0405-330 located on the tax division website at <http://www.tax.alaska.gov//programs/programs/forms/index.aspx?60650>

²³ See 15 AAC 55.320 and 345 for filing requirements

²⁴ See regulation for "When cost is incurred" under 15 AAC 55.290

²⁵ Per AS 43.55.023(d)

²⁶ AS 43.55.023(d)

²⁷ AS 43.55.023(m)

²⁸ 15 AAC 55.381(b) allows for the credit certificate under this section to be applied against a single monthly installment payment.

²⁹ AS 43.55.023(n)

³⁰ The data requirements are outlined in AS 43.55.025(f)(2)

³¹ Per AS 43.55.020(a)(1)

³² Under AS 43.55.023(d) or (m)

³³ Per 15 AAC 55.320(a)(1)

³⁴ Form 0405-330 located on the tax division website at <http://www.tax.alaska.gov//programs/programs/forms/index.aspx?60650>

³⁵ See 15 AAC 55.320 and .345 for filing requirements

³⁶ See regulation for "When cost is incurred" under 15 AAC 55.290

³⁷ Per AS 43.55.023(d)

³⁸ AS 43.55.023(m)

³⁹ 15 AAC 55.381(b) allows for the credit certificate under this section to be applied against a single monthly installment payment.

⁴⁰ AS 43.55.025(c)(2)

⁴¹ AS 43.55.025(a)(1) and (c)

⁴² AS 43.55.025(a)(2) and (d)

⁴³ AS 43.55.025(a)(3), (c), and (d)

⁴⁴ AS 43.55.025(a)(4) and (e)

⁴⁵ Form 0405-310

⁴⁶ The completion date of an exploration well is defined under 15 AAC 55.900(b)(10) and the completion date of a seismic project is generally the date that the initial processing of the seismic data has been completed.

⁴⁷ 15 AAC 55.355(a) and 15 AAC 55.356

⁴⁸ AS 43.55.025(k)

⁴⁹ 15 AAC 55.370(c)

⁵⁰ 15 AAC 55.381(b) allows for the credit certificate under this section to be applied against a single monthly installment payment

⁵¹ Senate Bill 309, (Ch. 15 SLA 2010)

⁵² 15 AAC 55.370(c)

⁵³ 15 AAC 55.381(b) allows for the credit certificate under this section to be applied against a single monthly installment payment

⁵⁴ SB 23

⁵⁵ AS 43.55.023(i)(3)(A)

⁵⁶ Form 0405-330

⁵⁷ AS 43.55.024(a)

⁵⁸ "Middle Earth" is phrase commonly used to describe the land south of 68 degrees North latitude and outside of Cook Inlet

⁵⁹ AS 43.55.024(b)

⁶⁰ AS 43.55.024(c)(2)

⁶¹ AS 43.55.024(d)

⁶² AS 43.55.024(h)

⁶³ AS 43.55.024(g)

⁶⁴ 15 AAC 55.335(b)

Exploration Incentive Credits

AS 38.05.180(i)

| ADL | WELL | COMPANY | CERTIFICATION DATE | TOTAL AMOUNT |
|------------|--|--------------------------|-----------------------|-----------------|
| 343109 | G-2 Well | Exxon Company USA | 10/05/83 | \$6,197,625.00 |
| | | Sohio Alaska Petro. | 12/27/83 | 4,152,408.75 |
| | | BP Alaska Exploration | 10/05/83 | 2,045,216.25 |
| 344010 | Leffingwell | ARCO Alaska Inc. | 10/02/84 | \$3,706,000.00 |
| | | Unocal | 10/02/84 | 3,706,000.00 |
| 344033 | J-1 Well | Exxon Company USA | 10/31/84 | \$5,119,500.00 |
| 355005 | Long Island Well | Exxon Company USA | 11/14/84 | \$1,367,738.00 |
| | | Sohio Alaska Petroleum | 11/14/84 | 1,378,076.00 |
| 345130 | Totek Hills | ARCO Alaska Inc. | 08/02/85 | \$715,530.81 |
| 355037 | Colville Delta #1 | Texaco Inc. | 07/09/86 | \$952,179.00 |
| | | Amerada Hess | 07/08/86 | 888,594.00 |
| | | Diamond Shamrock (Maxus) | 07/08/86 | 100,128.00 |
| | | Rosewood Resources | 07/08/86 | 12,662.00 |
| | | Hunt Petroleum Co. | 07/08/86 (1) | 8,866.36 |
| | | BP Alaska Exploration | 02/31/87 | 475,631.00 |
| | | Mobil | 02/05/87 | 432,511.00 |
| 364478 (2) | Colville Delta Area AHC 25-13-6 #1 Well | Amerada Hess | 10/12/87 (3) | \$140,071.13 |
| | | Texaco Inc. | 10/12/87 (4) | 771,743.46 |
| | | Maxus Exploration | 10/12/87 (5) | 100,297.41 |
| | | Rosewood Resources | 10/12/87 (6) | 4,111.82 |
| 355038 (2) | Colville Delta #2 | Amerada Hess | 10/28/87 | \$757,731.46 |
| | | Texaco Inc. | 10/28/87 | 898,563.40 |
| | | BP Alaska Exploration | 10/28/88 | 423,982.26 |
| 355039 (2) | Colville Delta #3 | Amerada Hess | 10/28/87 (7) | \$ 0.00 |
| | | Texaco Inc. | 10/28/87 (8) | 0.00 |
| | | BP Alaska Exploration | 10/28/87 (9) | 63,228.39 |
| | | Union Texas Petroleum | 10/28/87 (10) | 14,097.50 |
| 344176 | Gyr #1 | ARCO Alaska, Inc. | 11/15/90 (11) | \$699,302.43 |
| | | Amerada Hess | 11/15/90 (11) | 732,804.63 |
| | | Conoco | 11/15/90 (12) | 732,804.62 |
| 355021 | NW Milne #1 | Conoco | 07/10/92 (13) | \$1,371,691.42 |
| | | Conoco | 02/09/93 | 660,321.00 |
| 375044 | Sequoia #1 | Conoco | 07/10/92 (13) | \$275,521.32 |
| | | Petrofina | 07/10/92 (14) | 227,594.08 |
| | | Conoco | 02/09/93 | 16,333.56 |
| | | Petrofina | 02/09/93 | 19,963.24 |

Exploration Incentive Credits (continued)

| ADL | WELL | COMPANY | CERTIFICATION DATE | TOTAL AMOUNT |
|--------|-----------------|--------------------------|--------------------|----------------|
| 375076 | Cirque #2 | ARCO Alaska, Inc. | 02/09/93 (15) | \$845,018.43 |
| 375108 | Tarn #1 | ARCO Alaska, Inc. | 02/09/93 (16) | \$727,939.95 |
| 355036 | Kalubik #1 | ARCO Alaska, Inc. | 02/09/93 (17) | \$2,599,602.13 |
| | | ARCO Alaska Inc. (UTP) | 03/04/93 | 250,822.50 |
| | | ARCO Alaska Inc. (UTP) | 04/22/93 | 11,779.91 |
| 372104 | Fiord #1 | ARCO Alaska Inc. (UTP) | 02/09/93 (18) | \$1,811,218.84 |
| | | ARCO Alaska Inc. | 03/04/93 | 191,018.62 |
| 372006 | Tulaga #1 | ARCO Alaska Inc. | 03/25/93 (19) | \$1,241,177.00 |
| 355011 | Jones Island #1 | ARCO Alaska Inc. | 07/12/93 | \$2,160,000.00 |
| | | ARCO Alaska Inc. (UTP) | 07/20/93 (20) | 1,910,175.00 |
| 375133 | Cascade Well #1 | BP Exploration (AK) Inc | 04/04/94 (21) | \$893,245.73 |
| 375061 | Yukon Gold #1 | BP Exploration (AK) Inc | 08/08/94 (22)(23) | \$2,394,546.77 |
| | | Union Oil Co. of Cal (H) | 08/23/94 (24) | 487,240.46 |

TOTAL EICs GRANTED TO-DATE:

\$54,692,614.64

- (1) Hunt's EIC balance reduced through a commissioner's decision dated March 18, 1998. Hunt made a subsequent payment in April 1998.
- (2) Colville Delta wells were settled through the Colville Delta EIC settlement agreement dated 12/31/98.
- (3) Amerada Hess EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/29/99.
- (4) Texaco's EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/28/99.
- (5) Maxus' EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/26/99.
- (6) Rosewood's EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/7/99.
- (7) Amerada Hess EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/29/99.
- (8) Texaco's EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/28/99.
- (9) BP's EIC balance reduced through an EIC settlement agreement and subsequent payment on 12/31/98.
- (10) Union Texas' EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/29/99.
- (11) ARCO and Amerada's EIC balances reduced through an EIC audit and subsequent payment in February 1997.
- (12) Conoco's EIC balance reduced through an EIC audit and subsequent payment in March 1997.
- (13) Conoco's EIC balance reduced through an EIC audit and subsequent payment in July 1997.
- (14) \$125,190.33 of EIC expired for Petrofina on March 31, 1996.
- (15) ARCO's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (16) ARCO's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (17) ARCO's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (18) ARCO's EIC balance increased through an EIC audit and subsequent payment in December 1997.
- (19) Union Texas (ARCO) EIC balance reduced through an EIC audit and subsequent payment on 8/18/98.
- (20) Union Texas (ARCO) EIC balance reduced through an EIC audit and subsequent payment on 8/18/98.
- (21) BP's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (22) BP's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (23) BP's EIC balance reduced through an EIC audit and subsequent payment on 12/31/98.
- (24) Union's EIC balance reduced through an EIC audit and subsequent payment in July 1998.

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

