State of Alaska

# FIVE-YEAR PROGRAM OF PROPOSED OIL AND GAS LEASE SALES

January 2015

Cover Photo: Trans Alaska Pipeline System at Phelan Creek. Photo by DO&G Staff.

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http://dog.dnr.alaska.gov/Leasing/LeaseReports.htm#5lease

**State of Alaska**

# FIVE-YEAR PROGRAM OF PROPOSED OIL AND GAS LEASE SALES

With Reports on
Exploration Licensing,
Geothermal Lease Sales,
Financial Incentives,
and Tax Credit Programs

Bill Walker, Governor

Mark Myers, Commissioner
Department of Natural Resources

**January 2015**

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# Introduction

In Fiscal Year 2014, approximately 88 percent of the State of Alaska's unrestricted revenue 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 purpose of the state's oil and gas leasing program is to enable and manage oil and gas development on state lands and realize the subsequent economic benefits,[2] the leasing program itself has been a significant revenue source.

There were five lease sales in 2014, resulting in almost $65 million in bonus-bid income to the state.[3] This reflects bids received for Cook Inlet, North Slope and Beaufort Sea. Two bids each were received for the Alaska Peninsula and North Slope Foothills. A report on the final results of the 2013 lease sales and preliminary results of the 2014 lease sales are included in this report.

Alaska statutes provide that "the people of Alaska have an interest in the development of the state's oil and gas resources," and AS 38.05.180 tasks the commissioner of the Department of Natural Resources (DNR) with annually 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, to help 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 2015 through 2019.

*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 29.

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 7.

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 35.

DNR is also responsible for geothermal leasing. Information about this program can be found on page 37.

[1] FY2014 taxes, royalty, settlement, rental, federal share, and bonus revenue as percentage of general fund unrestricted revenue.
[2] Preliminary results are subject to title and administrative review, and may change significantly.
[3] As a result of oil and gas revenue from bonus bids, lease rentals, and royalty payments (including federal shares), and settlements during Fiscal Year 2014, approximately $1.69 billion was deposited into the general fund and $823 million into the Permanent Fund, Constitutional Budget Reserve, and School Fund.

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

**Five-Year Program of Oil and Gas Areawide Sales 2015-2019**

| 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 71 sales.[1]

[1] 1998 to 2014 areawide sales: 17 were in the North Slope, 16 in Cook Inlet (added in 1999), 15 in Beaufort Sea (added in 2000), 14 in North Slope Foothills (added in 2001), and 9 in Alaska Peninsula (added in 2005).

**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 title or land status for tracts can be obtained from state land records at DNR's Public Information Center, 550 West 7th Ave., Suite 1260, Anchorage; (907) 269-8400; or 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 the 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.

# 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 at least six months before a sale and provides an opportunity for public comment for a period of at least 60 days. DNR gives public notice of a preliminary written finding by publishing legal advertisements in news-

papers, posting in conspicuous locations such as post offices and libraries, notifying parties known or likely to be affected, and other methods (such as the State of Alaska online public notice) calculated to reach affected parties.

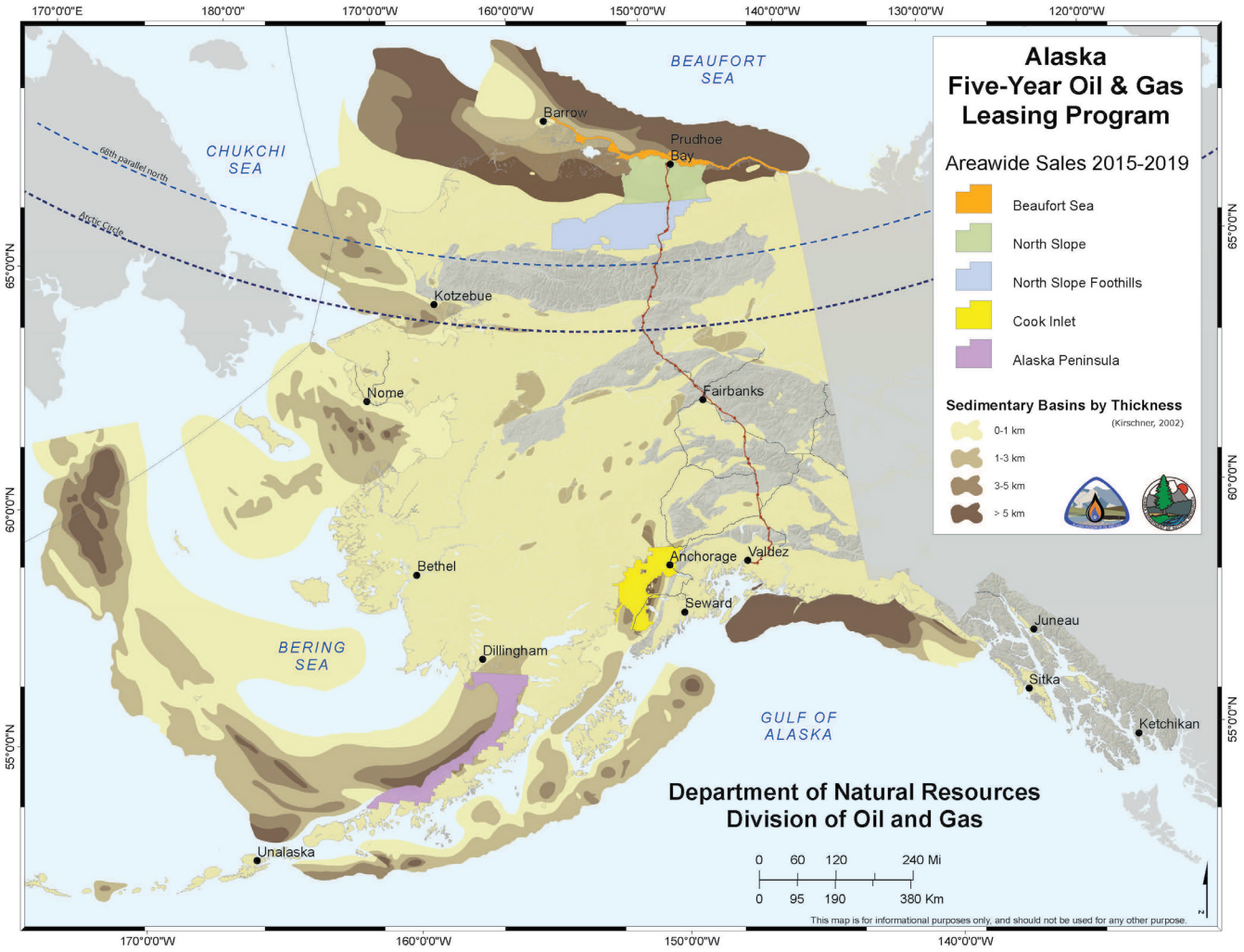
During the public comment period, DNR may conduct workshops or hold open houses, public hearings, or public meetings in one or more of the affected communities. If the land is within the boundaries of a municipality or a regional corporation, that municipality or regional corporation may also hold a hearing with department personnel attending. Comments received during the public comment period help in developing a final finding.

DNR releases the final finding, which determines whether the sale is in the state's best interests, at least 90 days before a scheduled sale.

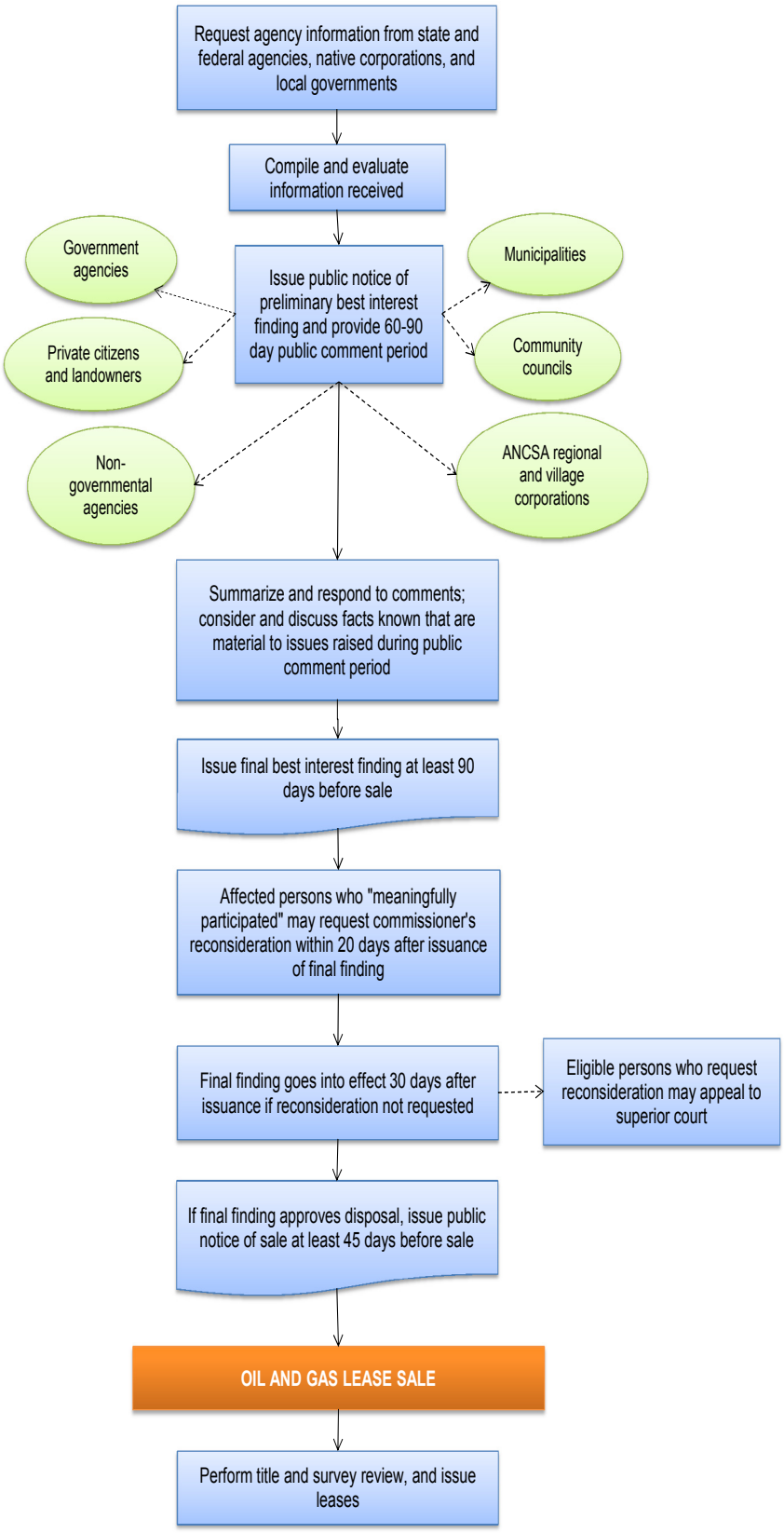
**Annual Lease Sales**

In the ten years following the issuance of a best interest finding, DNR annually issues a "Call for New Information." The Call for New Information is a request for any substantial new information including studies, data, or research that has become available over the past year. The Call for New Information provides opportunity for public comment for a period of at least 30 days. Based on the information received, the commissioner determines whether it justifies supplementing the finding. The commissioner issues a supplement to the finding or a "Decision of No New Substantial Information" at least 90 days before the lease sale. The supplement has the status of a final written best interest finding.

Mitigation measures identified in the best interest finding and supplements are included as terms of the lease in all sales during the effective period of a finding.

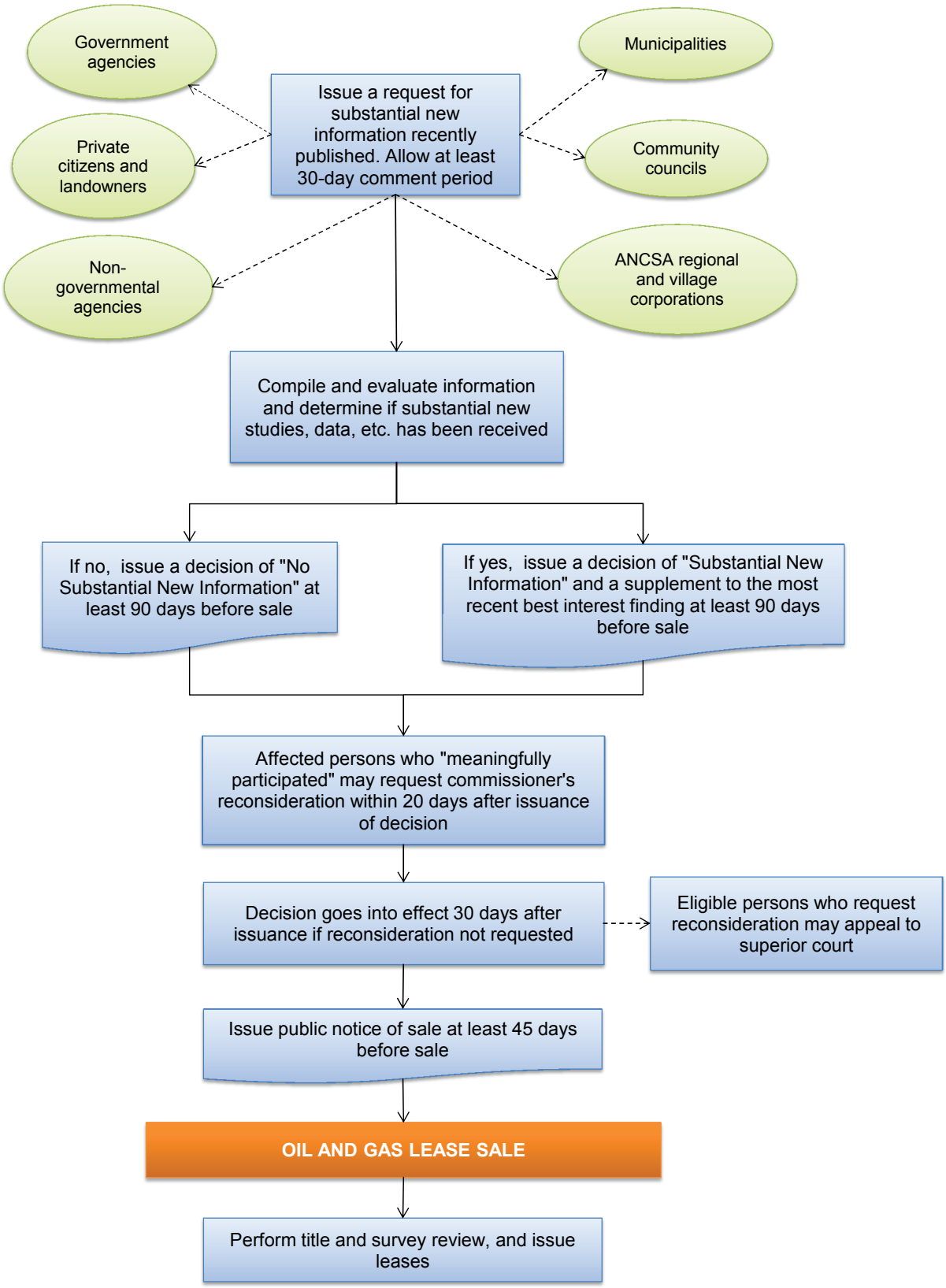


# Lease Sale Process With New Best Interest Finding



# 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 2015-2019 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 on state submerged lands. 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 November 26, 2014.

On October 9, 2013, 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 issued a "Decision of No New Substantial Information" on January 17, 2014, over 90 days before a proposed Spring 2014 lease sale. DNR did not issue a call for substantial new information in 2014 because a Final Best Interest Finding for the Alaska Peninsula Areawide Oil and Gas Lease Sales, 2015-2024 was issued on November 26, 2014.

**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. Fish and wildlife populations in the area are extensively harvested for commercial, sport, and subsistence use, and significantly contribute to the state and local economy.

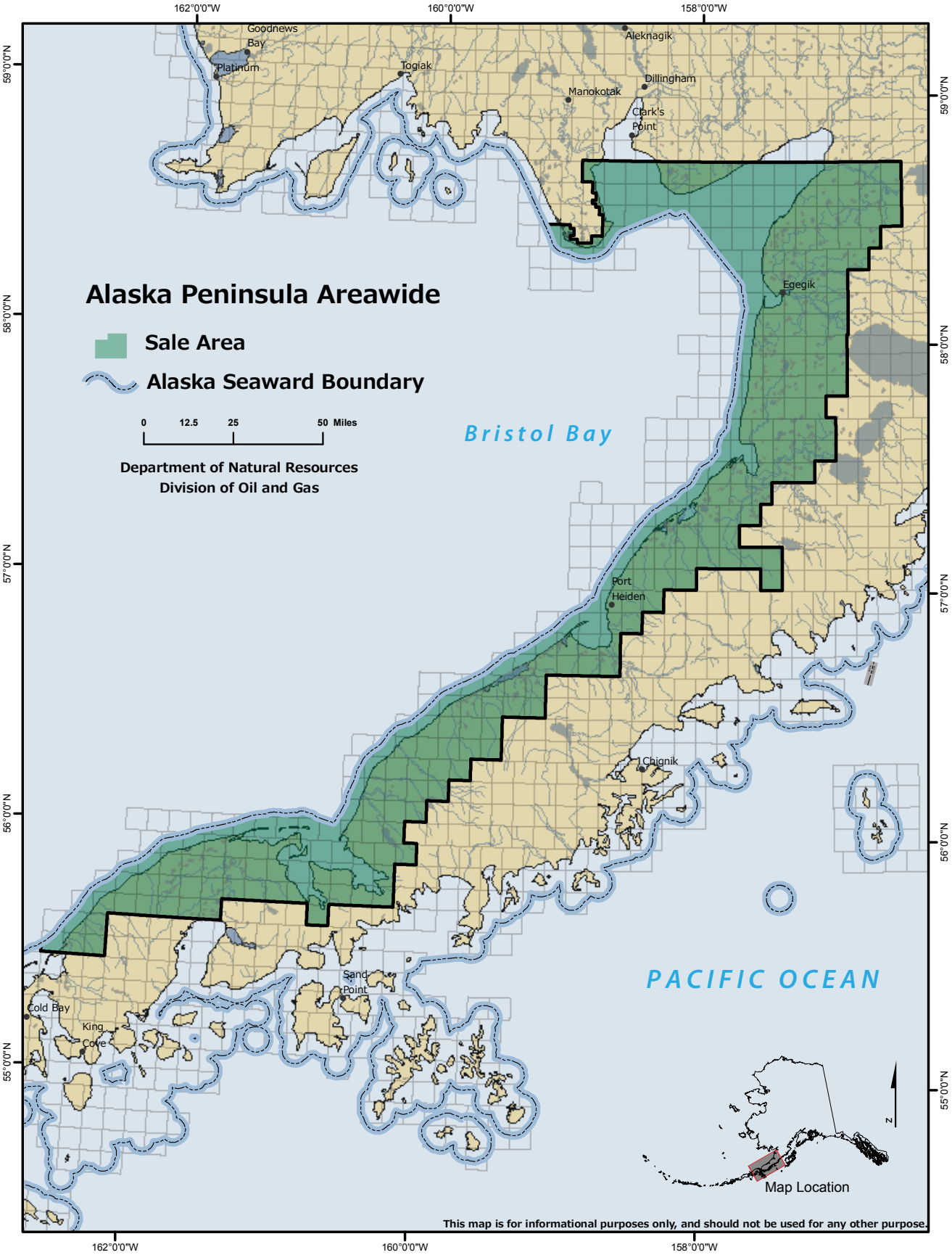
A wide variety of mammals inhabit the region including caribou, brown bear, moose, Pacific walrus, beluga whale, gray whale, Steller sea lion, harbor seal, and sea otter. The Steller sea lion is listed as threatened under the federal Endangered Species Act, and several established rookery sites and critical 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.

**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/dca/commdb/CF_BLOCK.htm*


Alaska Peninsula Areawide
Sale Area
Alaska Seaward Boundary
0 12.5 25 50 Miles
Department of Natural Resources
Division of Oil and Gas
Bristol Bay
PACIFIC OCEAN
Goodnews Bay
Platinum
Togiak
Aleknagik
Dillingham
Manokotak
Clark's Point
Egegik
Port Heiden
Chignik
Sand Point
Cold Bay
King Cove
Map Location
This map is for informational purposes only, and should not be used for any other purpose.
162°0'0"W
160°0'0"W
158°0'0"W
59°0'0"N
58°0'0"N
57°0'0"N
56°0'0"N
55°0'0"N

# Cook Inlet Areawide Oil and Gas Lease Sale

**Annually Held in Spring**

**Property Description and Location:** The 2015-2019 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 9, 2014, 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 lease sale date.

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

**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 Service 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.

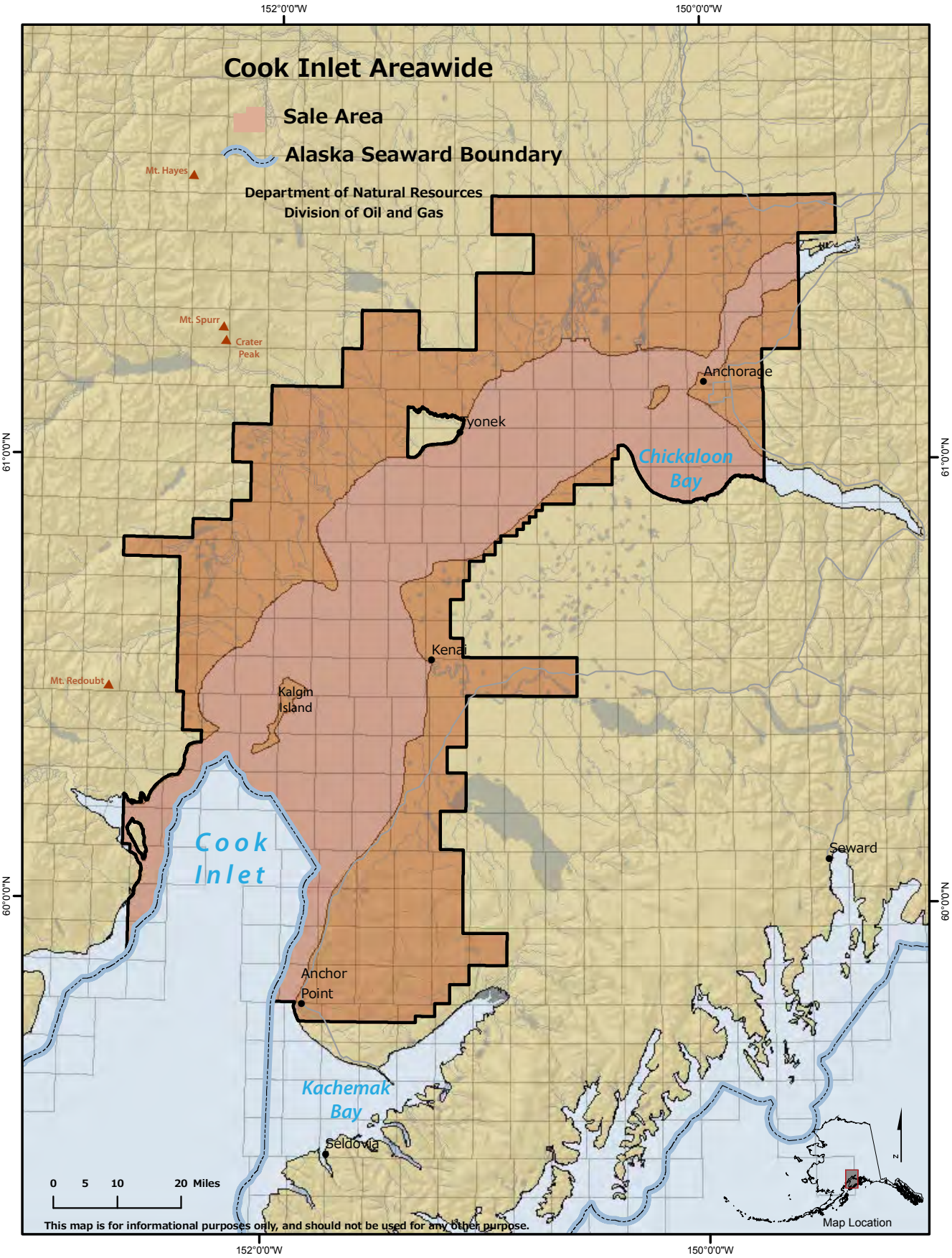
A number of state and federal wildlife refuges, critical habitat areas, recreation areas, and parks exist within or near the lease sale area. These areas encompass important fish and wildlife habitat, and have significant scenic and recreational value.

**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 Village | 165 |
| Sterling | 5,617 |
| Tyonek | 171 |

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


Cook Inlet Areawide
Sale Area
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Department of Natural Resources
Division of Oil and Gas
152°0'0"W
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Mt. Hayes
Mt. Spurr
Crater Peak
Mt. Redoubt
Anchorage
Tyonek
Chickaloon Bay
Kenai
Kalgin Island
Cook Inlet
Seward
Anchor Point
Kachemak Bay
Seldovia
0 5 10 20 Miles
This map is for informational purposes only, and should not be used for any other purpose.
Map Location

# Beaufort Sea Areawide Oil and Gas Lease Sale

**Annually Held in Fall**

**Property Description and Location:** The 2015-2019 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 573 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 March 25, 2014, 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 June 25, 2014. The Beaufort Sea 2013 lease sale was held on November 19, 2014. A request for new information will be publicized in early 2015.

**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).

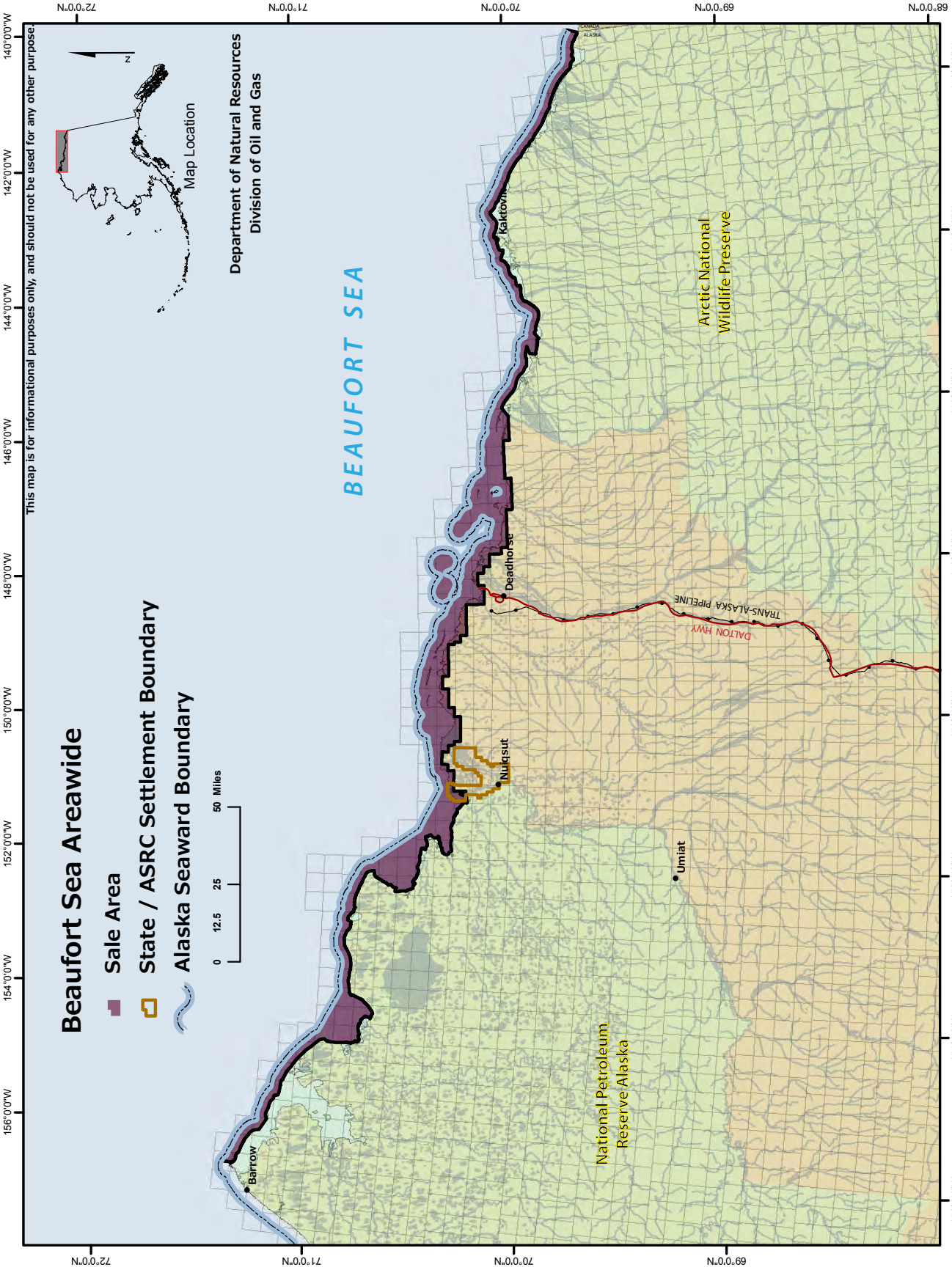
Bowhead whales are classified as depleted under the Marine Mammal Protection Act. However, the National Marine Fisheries Service has not designated bowhead whale critical habitat under the Endangered Species Act because "the decline and reason for listing the species was overexploitation by commercial 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."

**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 |
| Atqasuk | 233 |
| Kaktovik | 239 |
| Prudhoe Bay/Deadhorse | 2,174 |
| Nuiqsut | 402 |

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


Beaufort Sea Areawide
Sale Area
State / ASRC Settlement Boundary
Alaska Seaward Boundary
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This map is for informational purposes only, and should not be used for any other purpose.
Department of Natural Resources
Division of Oil and Gas
Map Location
N
BEAUFORT SEA
Barrow
Nuiqsut
Deadhorse
Kaktovik
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TRANS-ALASKA PIPELINE
DALTON HWY
National Petroleum Reserve Alaska
Arctic National Wildlife Preserve
CANADA
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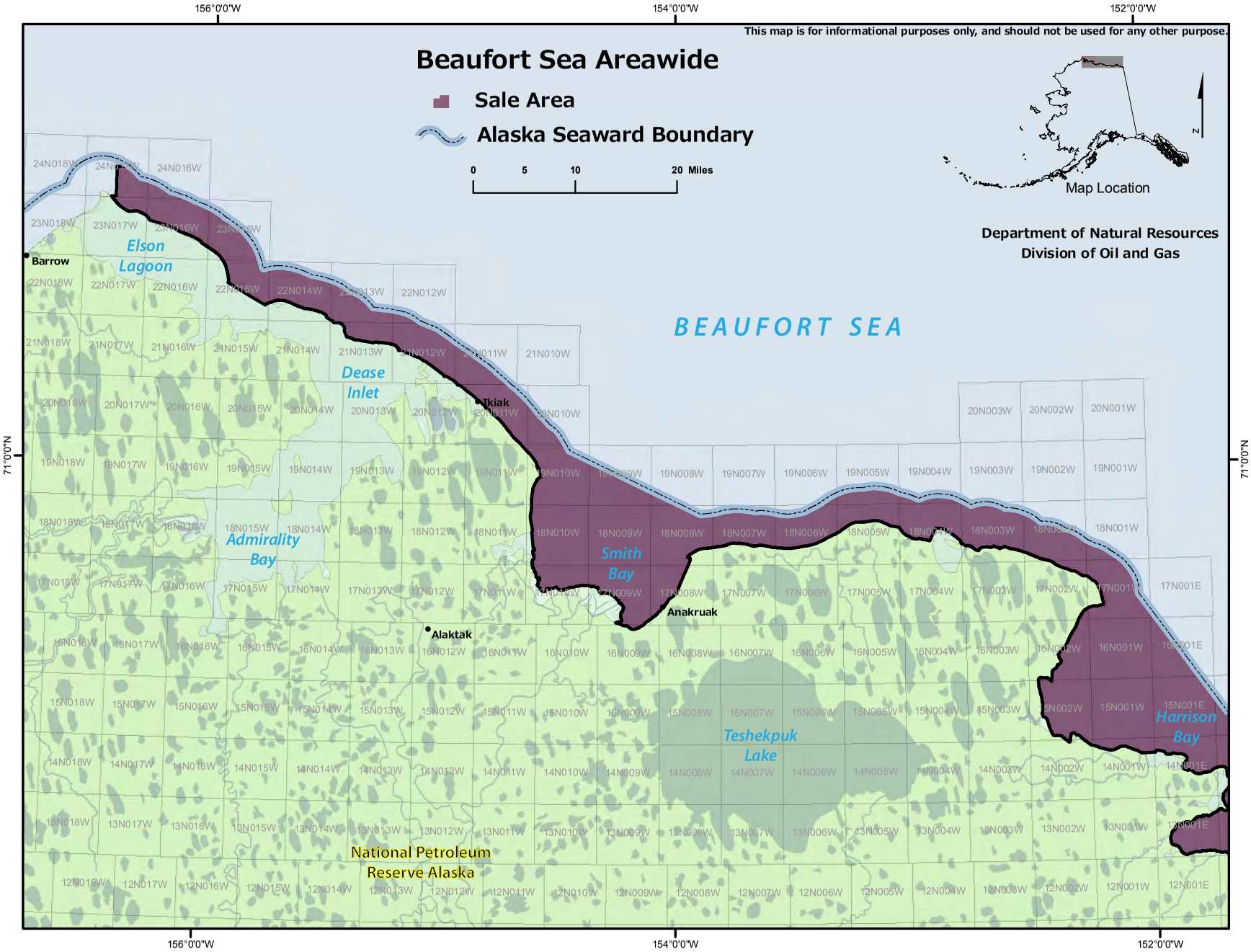
Beaufort Sea Areawide
Sale Area
Alaska Seaward Boundary
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Map Location
Department of Natural Resources
Division of Oil and Gas
BEAUFORT SEA
Elson Lagoon
Barrow
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Tkiak
Admiralty Bay
Smith Bay
Anakruak
Alaktak
Teshekpuk Lake
Harrison Bay
National Petroleum Reserve Alaska
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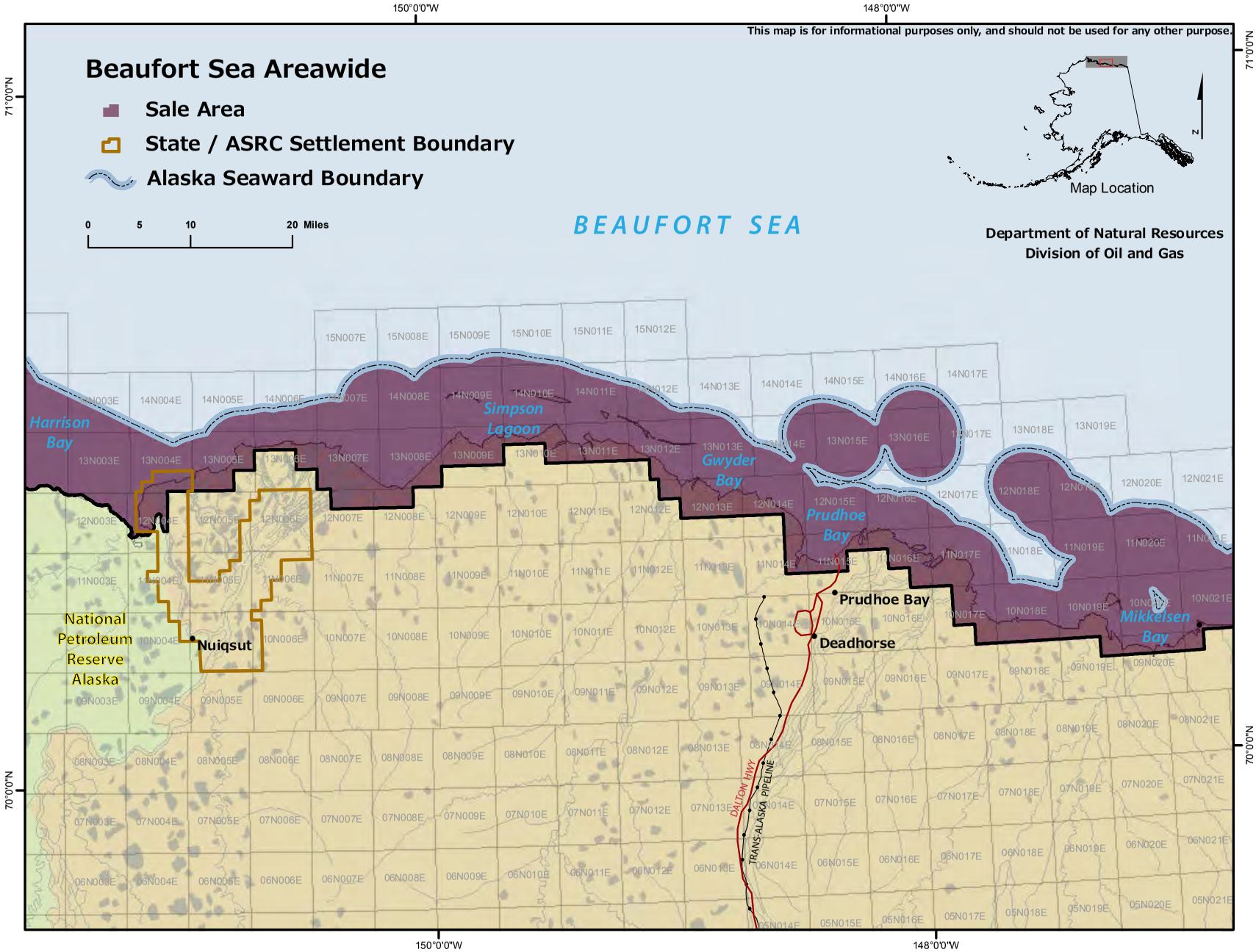
Beaufort Sea Areawide
Sale Area
State / ASRC Settlement Boundary
Alaska Seaward Boundary
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BEAUFORT SEA
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Simpson Lagoon
Gwyder Bay
Prudhoe Bay
Mikkelsen Bay
National Petroleum Reserve Alaska
Nuiqsut
Prudhoe Bay
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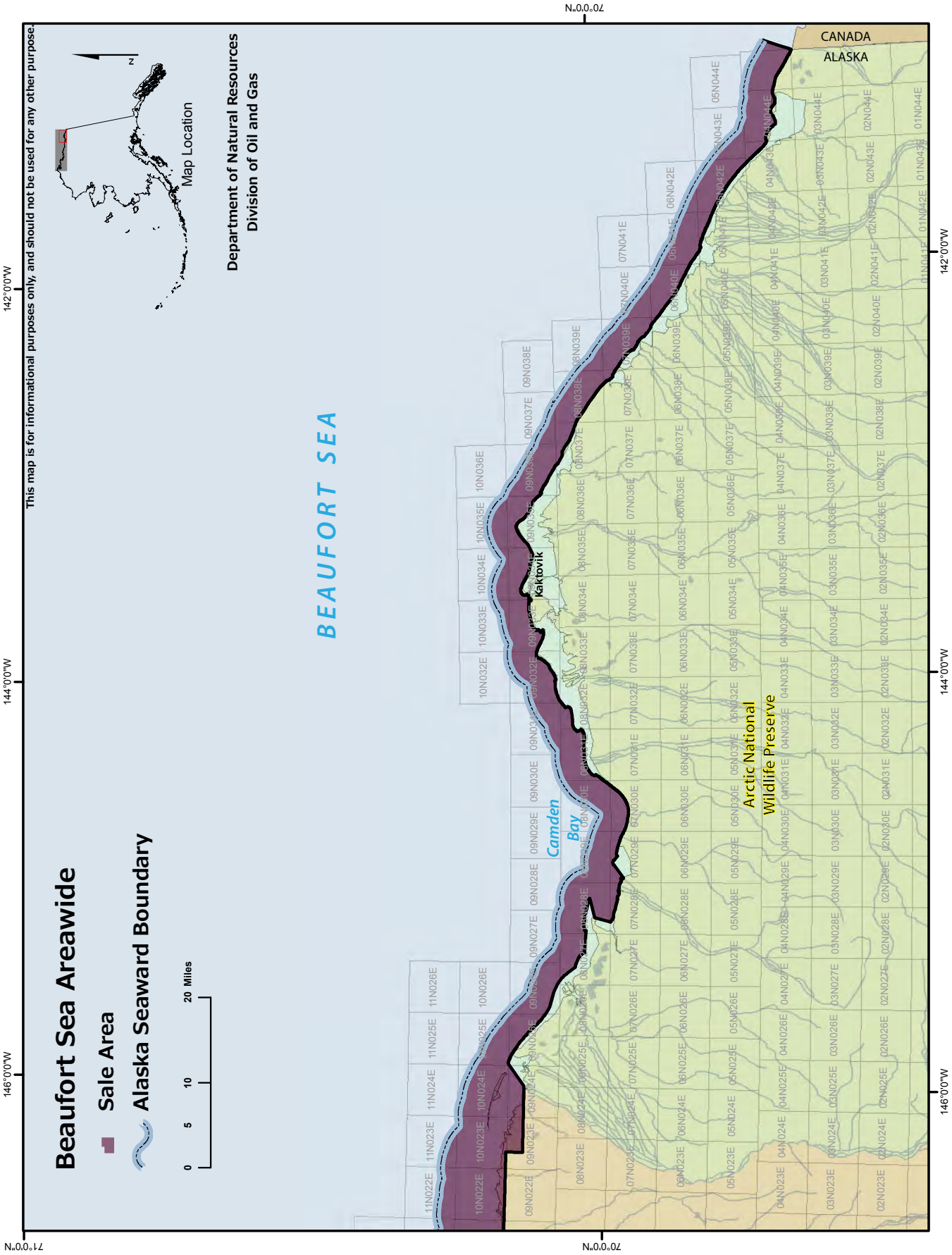
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Arctic National Wildlife Preserve
CANADA
ALASKA
146°0'0"W
144°0'0"W
142°0'0"W
71°0'0"N
70°0'0"N

# North Slope Areawide Oil and Gas Lease Sale

**Annually Held in Fall**

**Property Description and Location:** The 2015-2019 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 Baseline in the south.

The gross lease sale area is approximately 5.1 million acres and is divided into 3,022 tracts.

The most recent best interest finding for the North Slope was issued on July 15, 2008. On March 25, 2014, DNR called for comments from the public requesting new information that has become available since the most recent best interest finding. No substantial, new information was received and on June 25, 2014, DNR issued a "Decision of No New Substantial Information." The North Slope 2012W lease sale was held on November 19, 2014. A request for new information will be publicized in early 2015.

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

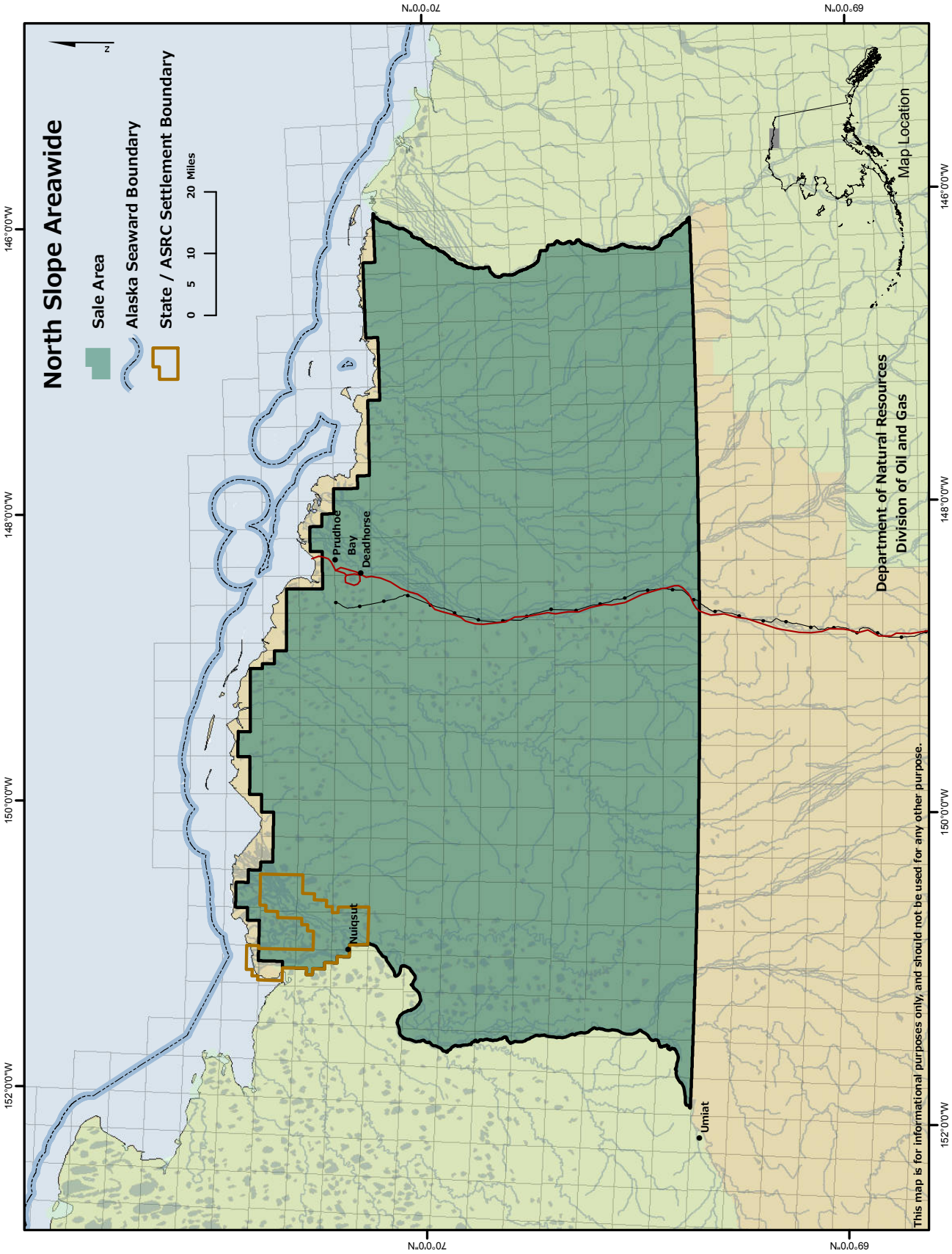
Four species found in the lease sale area are listed as threatened or endangered under the federal Endangered Species Act: polar bear (threatened), spectacled eider (threatened), and Steller's eider (threatened).

**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 Areawide
Sale Area
Alaska Seaward Boundary
State / ASRC Settlement Boundary
0 5 10 20 Miles
N
Prudhoe Bay
Deadhorse
Nuiqsut
Umiat
Map Location
Department of Natural Resources
Division of Oil and Gas
This map is for informational purposes only, and should not be used for any other purpose.
152°0'0"W
150°0'0"W
148°0'0"W
146°0'0"W
70°0'0"N
69°0'0"N

# North Slope Foothills Areawide Oil and Gas Lease Sale

**Annually Held in Fall**

**Property Description and Location:** The 2015-2019 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 March 25, 2014, DNR requested new information that had become available since the most recent best interest finding. No appropriate information was received and on June 25, 2014 DNR issued a "Decision of No New Substantial Information." The North Slope Foothills 2013 lease sale was held on November 19, 2014. A request for new information will be publicized in early 2015.

**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.

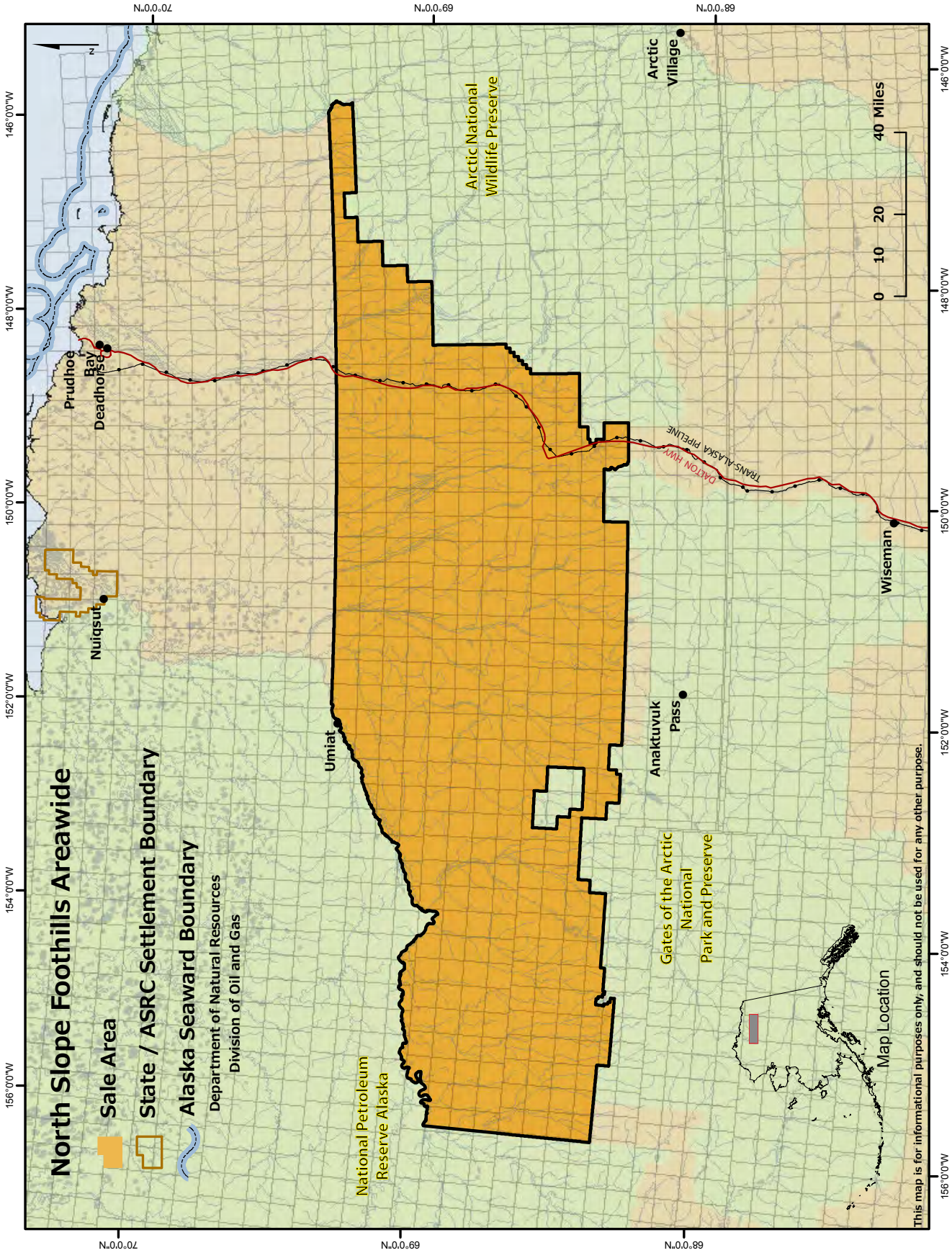
Major river valleys, where willow thickets are most abundant, provide valuable moose habitat. Moose concentrate in these areas throughout the year, with peak use during winter. Brown bears are frequently associated with riparian habitats in the area, especially in the spring and fall. The North Slope's 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*


North Slope Foothills Areawide
Sale Area
State / ASRC Settlement Boundary
Alaska Seaward Boundary
Department of Natural Resources
Division of Oil and Gas
Prudhoe Bay
Deadhorse
Nuiqsut
Umiat
Arctic National Wildlife Preserve
Arctic Village
Anaktuvuk Pass
Wiseman
Gates of the Arctic National Park and Preserve
National Petroleum Reserve Alaska
TRANS-ALASKA PIPELINE
DALTON HWY
0 10 20 40 Miles
Map Location
This map is for informational purposes only, and should not be used for any other purpose.
N
70°0'0"N
69°0'0"N
68°0'0"N
146°0'0"W
148°0'0"W
150°0'0"W
152°0'0"W
154°0'0"W
156°0'0"W

# Recent Areawide Oil and Gas Lease Sale Results

**2013 Sale Results**

| Sale | Date | Acres Leased | High Bonus Bids | Status |
|---|---|---|---|---|
| Alaska Peninsula 2013 | May 8, 2013 | 0 | 0 | No bids received |
| Beaufort Sea 2013W | November 6, 2013 | 2,560 | $52,403 | Final |
| Cook Inlet 2013W | May 8, 2013 | 100,321 | $3,081,417 | Final |
| North Slope 2013W | November 6, 2013 | 157,701 | $5,117,140 | Final |
| North Slope Foothills 2013W | November 6, 2013 | 0 | 0 | No bids received |
| **Totals:** | | **406,472** | **$17,836,623** | |

**2014 Sale Results***

| Sale | Date | Acres Leased | High Bonus Bids | Status |
|---|---|---|---|---|
| Alaska Peninsula 2014 | May 7, 2014 | 9,562 | $47,807 | Final |
| Beaufort Sea 2014W | November 19, 2014 | 107,189 | $4,997,060 | Preliminary |
| Cook Inlet 2014W | May 7, 2014 | 108,443 | $5,204,443 | Preliminary |
| North Slope 2014W | November 19, 2014 | 524,387 | $54,571,926 | Preliminary |
| North Slope Foothills 2014W | November 19, 2014 | 10,120 | $147,014 | Preliminary |
| **Totals:** | | **760,419** | **$64,971,843** | |

* Individual results of the 2014 lease sales are reported on the following pages. Once leases have been issued, final results will be posted on the division's website at http://dog.dnr.alaska.gov/