

STATE OF ALASKA

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DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

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July 24, 2002

NOTICE OF SALE

BEAUFORT SEA AREA WIDE 2002 NORTH SLOPE AREA WIDE 2002 COMPETITIVE OIL AND GAS LEASE SALES

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), will offer lands for competitive oil and gas leasing in North Slope Areawide 2002 (NSA 2002) and Beaufort Sea Areawide 2002 (BSA 2002) on October 23, 2002. Bid opening begins at 8:30 a.m. in Anchorage at the Wilda Marston Theater, in the Loussac Public Library, 3600 Denali St.

NSA 2002 encompasses approximately 5.1 million acres and is divided into 1,225 tracts ranging in size from 640 to 5,760 acres. The sale area lies between the Arctic National Wildlife Refuge (ANWR) and the National Petroleum Reserve – Alaska (NPR). The southern boundary of the sale area is the Umiat Meridian Baseline. BSA 2002 covers approximately 1.5 million acres of state-owned tide and submerged lands from Barter Island, off ANWR, to Tangent Point, off NPR, and is divided into 516 tracts ranging in size from 40 to 5,760 acres.

North Slope Areawide 2002

Bidding Method: Cash bonus bidding with a minimum bid of ten dollars (\$10) per acre for all tracts.

Royalty Rates: Leases issued on State and State/ASRC Tracts 0520 through 0916, 0919, 0920, 0922, 0923, 0925, 0926, 0928 through 0935, 0937 through 1145, and 1147 through 1225 will have a fixed royalty rate of sixteen and two-thirds percent (16.66667%).

Leases issued on State/ASRC Tracts 0917, 0918, 0921, 0924, and 0927 will have a sliding scale royalty rate of sixteen and two-thirds percent (16.66667%) to thirty-three and one-third percent (33.33334%).

Leases issued on all remaining State tracts will have a fixed royalty rate of twelve and one-half percent (12.5%).

Term of Lease: All leases will have a term of seven (7) years.

Beaufort Sea Areawide 2002

Bidding Method: Cash bonus bidding with a minimum bid of one hundred dollars per acre (\$100) on Tract 079 and ten dollars (\$10) per acre on all other tracts.

Royalty Rates: Leases issued on Tracts 40 through 77, 500 through 554, and 556 will have a fixed royalty rate of twelve and one-half percent (12.5%). Leases issued on Tracts 133, 134, 136, 137, 139, 140, 142, 143, 145, 146, 148, 149, 151- 154, and 156 - 499 will have a fixed royalty rate of sixteen and two-thirds percent (16.66667%). Leases issued on Tracts 78-132, 135, 138, 141, 144, 147, 150 and 155 will have a fixed royalty rate of twenty percent (20.00%).

Term of Lease: Leases issued on tracts 40 through 77, 500 through 554, and 556 will have a term of ten (10) years. Leases issued on all other tracts will have a term of seven (7) years.

“Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans.”

Rental

Annual rental is \$1.00 per acre for the first year, \$1.50 per acre for the second year, \$2.00 per acre for the third year, \$2.50 per acre for the fourth year, and \$3.00 per acre for the fifth and following years.

Bidder's Information

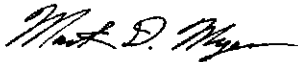
Complete details regarding these lease sales, including the sale announcements in their entirety, instructions to bidders and tract deletions are available on the division's website: www.dog.dnr.state.ak.us/oil. If unable to access this information, contact Suzanne Gaguzis, (907) 269-8803, email at msg@dnr.state.ak.us. The sale announcements are also available in the following locations: Nuiqsut Public Library, North Slope Borough Library Media Center, North Slope Borough Offices, Tuzzy Consortium Library in Barrow, City of Barrow Municipal Offices, Kaveolook School Library in Kaktovik, Loussac Public library in Anchorage, and the Division of Oil and Gas. Regional tract maps will be available in these locations on August 10, 2002, and on the division's website on August 2, 2002. Copies will also be available, for \$25 per set, at the division's office beginning August 2nd.

Concurrently Issued Decisions

The Commissioner of Natural Resources has issued a *Decision of No New Information* for BSA 2002 and a *Decision to Supplement*, along with the *Supplement to the Final Finding* for NSA 2002. These decisions and supplement are available on the division's website and at the above-mentioned locations.

Americans with Disabilities Act Compliance

The State of Alaska, DNR, DO&G complies with Title II of the Americans with Disabilities Act 1990. This Publication will be made available in alternative communication formats upon request. Please contact Suzanne Gaguzis at (907) 269-8803 to make any necessary arrangements.



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