

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

FRANK H. MURKOWSKI, GOVERNOR

550 WEST 7TH AVENUE, SUITE 800
ANCHORAGE, ALASKA 99501-3650

PHONE: (907) 269-8800

FAX: (907) 269-8938

January 13, 2006

NOTICE OF SALE

NORTH SLOPE AREAWIDE 2006 BEAUFORT SEA AREAWIDE 2006 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 (NS) 2006 and Beaufort Sea Areawide (BS) 2006, oil and gas lease sales on March 1, 2006. These sales were originally scheduled for October 2005 and were rescheduled for the above mentioned date. Bid opening will begin at 8:30 a.m. in the Wilda Marston Theater, in the Loussac Public Library, 3600 Denali St., in Anchorage.

These sale areas are divided into tracts ranging in size from 640 to 5,760 acres. NS has 1,225 tracts and BS has 573 tracts. NS 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 baseline. BS consists of state-owned tide and submerged lands extending from Pt. Barrow to the Canadian border. Tracts 27 through 39, located east of Kaktovik, and tracts 555 and 557 through 573, between Tangent Pt and Pt. Barrow, are being deferred from this lease sale.

North Slope Areawide

- Bidding Method:** Cash bonus bidding with a minimum bid of \$10 per acre on all tracts.
- Royalty Rate:** All tracts south of NS royalty line – a fixed royalty rate of twelve and one-half percent (12.5%).
All tracts north of NS royalty line – a fixed royalty rate of sixteen and two-thirds percent (16.66667%).
- Length of Lease:** Tracts 919, 922-927, 1043, 1048, 1051, 1054, 1146-1150, 1152 and 1153 – seven (7) years.
All tracts south of NS royalty line – seven (7) years.
All other tracts north of NS royalty line – five (5) years.

Beaufort Sea Areawide

- Bidding Method:** Cash bonus bidding with a minimum bid of \$10 per acre on all tracts.
- Royalty Rate:** Tracts 1 through 26 – a fixed royalty rate of twelve and one-half percent (12.5%).
All other tracts – a fixed royalty rate of sixteen and two-thirds percent (16.66667%).
- Length of Lease:** Tracts 1 through 26 – ten (10) years.
Tracts 40 through 77, 500 through 554 and 556 – seven (7) years.
All other tracts – five (5) years.

Rental

Annual rental on all state leases 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, regional tract maps, instructions to bidders, and tract deletions are available on the division's website: www.dog.dnr.state.ak.us. The regional tract maps and sale related documents for NS 2006 and BS 2006 are also available in the following libraries and government offices: 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 and Loussac Public Library in Anchorage.

If unable to access this information, contact Anna Motschenbacher, (907) 269-8814, email at am@dnr.state.ak.us.

Copies of the regional tract maps will also be available, for \$25 per set, at the division's office.

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

Decisions of No New Information for NS 2006 and BS 2006

The Commissioner of Natural Resources has issued a *Decision of No Substantial New Information* for both NS 2006 and BS 2006, these 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 Anna Motschenbacher, (907) 269-8814, to make any necessary arrangements.



William Van Dyke,
Acting Director

Department of Natural Resources
Division of Oil & Gas – Lease Sales
550 West 7th Avenue, Suite 800
Anchorage, AK 99501