

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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NOTICE OF SALE

COOK INLET AREAWIDE 2007 COMPETITIVE OIL AND GAS LEASE SALE

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), is offering lands for competitive oil and gas leasing in the Cook Inlet Areawide (CI) 2007 Oil and Gas Lease Sale. Bid opening begins at 9:00 a.m. on May 23, 2007 at the Wilda Marston Theater in the Loussac Public Library, 3600 Denali Street, Anchorage.

The Cook Inlet Areawide 2007 sale area encompasses approximately 4 million acres and is divided into 815 tracts ranging in size from 640 to 5,760 acres. The sale area is located in the Matanuska and Susitna valleys, the Anchorage bowl, the western and southern Kenai Peninsula from Pt. Possession to Anchor Point, on the western shore of Cook Inlet from the Beluga River to Harriet Point, and within Cook Inlet.

Cook Inlet Areawide 2007

- Bid Submission:** Bids must be received by DO&G no later than 4:00 p.m. May 21, 2007.
- Bidding Method:** Cash bonus bidding with a minimum bid of **ten dollars (\$10) per acre** on all tracts.
- Royalty Rate:** All leases will have a fixed royalty rate of **twelve and one-half percent (12 1/2%)**.
- Length of Lease:** Leases for tracts 11-13, 15-17, 33, 34, 36-46, 62, 63, 65-69, 72, 91-95, 97, 98, 133-137, 140, 163-171, 174, 200, 276, 279-281, 283-287, 289, 342, 345-354, 357, 360, 361, 396, 397, 399-403, 414, 415, 418, 420, 421, 425, 428, 429, 476-484, 487, 490, 735 will have a primary term of **seven (7) years**.
All other leases will have a term of **five (5) years**.

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 the lease sale, including the entire sale announcement, instructions to bidders, and regional tract maps are available on the division's website at <http://www.dog.dnr.state.ak.us/>. If unable to access this information, contact Melinda Furley by phone at (907) 269-8814; email melinda_furley@dnr.state.ak.us. Sale announcements and regional tract maps are also available in the following locations: public libraries in Palmer, Wasilla, Kenai, Ninilchik, Homer, Soldotna, Anchor Point and Seldovia; the Loussac Public Library in Anchorage; the Matanuska-Susitna Planning Dept. offices in Palmer; the Kenai Peninsula Borough Planning Dept. offices in Soldotna; and the Anchorage Municipal Clerk's office.

Supplement to the Cook Inlet Areawide Oil and Gas Lease Sale Best Interest Finding

The Commissioner of Natural Resources has issued a *Supplement to the Cook Inlet Areawide Oil and Gas Lease Sale Best Interest Finding* for the CI 2007 sale, which is available on the division's website and at the above-mentioned locations.

Notice to Bidders: The Cook Inlet beluga whale, the presence of which is known throughout the Cook Inlet Areawide oil and gas lease sale area, is listed as depleted under the Marine Mammal Protection Act and has been classified a Species of Concern by the National Marine Fisheries Service (NMFS). The NMFS is

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currently reviewing the status of this population to determine the need for listing under the Endangered Species Act and is expected to issue a decision in April 2007. If the beluga whale becomes listed, ADNR would impose additional mitigation measures or restrictions on relevant tracts to minimize impacts to the beluga whale in accordance with the law. ADNR will notify all interested parties of additional mitigation measures or restrictions, should those become necessary, as soon as possible.

Americans with Disabilities Act Compliance

The State of Alaska, DNR, DO&G complies with Title II of the Americans with Disabilities Act of 1990. This publication will be made available in alternative communication formats upon request. Please contact Melinda Furley at (907) 269-8814 to make any necessary arrangements.

DNR reserves the right to waive technical defects in this publication.

A handwritten signature in blue ink that reads "Kevin R. Banks". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Kevin Banks,
Acting Director

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