

STATE OF ALASKA

Department of Natural Resources

Division of Oil and Gas

Tony Knowles, Governor

550 West 7th Ave., SUITE 800
ANCHORAGE, ALASKA 99501

August 15, 2000

Phone: 269-8804

NOTICE OF SALE

STATE OF ALASKA

NORTH SLOPE AREAWIDE 2000 COMPETITIVE OIL AND GAS LEASE SALE

The Department of Natural Resources, Division of Oil and Gas (DO&G), gives notice under AS 38.05.945(a)(4), that it will offer lands for competitive oil and gas leasing in North Slope Areawide Oil and Gas Lease Sale 2000. The sale will be held in Anchorage at the Loussac Public Library's Wilda Marston theater at 8:30 a.m., November 15, 2000. The sale encompasses a gross area of approximately 5.1 million acres, divided into 1,225 tracts ranging in size from 640 to 5,760 acres. These tracts are located entirely within the North Slope Borough between the Canning River and ANWR on the East and the Colville River and NPRA in the West. The southern boundary of the sale area is the Umiat Meridian baseline. The northern fringe of the sale area is set back from the Beaufort Sea to exclude any tide or submerged lands from the sale area.

DO&G has prepared an official tract map which displays the location of all tracts within the sale area. Only those lands, within the sale area, not covered by existing leases as of July 10, 2000 will be considered available for leasing. Lands released from leased status after that date would then be offered in North Slope Areawide 2001, scheduled for October 2001.

The exact amount of the net leaseable acreage in each tract will not be determined until after the bids are received. At that time DO&G will complete a comprehensive evaluation of the lands within the tracts that received bids to determine which lands are available for lease. Acreage not owned by the state, already subject to an oil and gas lease, or clouded by title claims will be excluded from the tract area.

Tract Map

A tract map has been prepared to assist in identifying unleased acreage that may be available for lease. This map is a graphical representation only, source documents remain the official record. Potential bidders are advised that they are solely responsible for determining the availability and leasability of any acreage prior to the submission of any bid.

Sale Terms

The bidding method for all tracts in North Slope Areawide 2000 will be cash bonus bidding with a minimum bid of **five (\$5) per acre** on all tracts. Leases on all tracts will have a term of **seven (7) years**. Leases issued on **Tracts 0520 through 0541, 0543, 0544, 0606 through 0628, 0630, 0631, 0747 through 0776, 0779, 0782, 0785, 0917 through 0945, 0948, 0951, 0954, 1031 through 1063, 1066, 1069, 1072, 1132 through 1160, 1164, 1167, and tracts 1209 through 1214** will have a fixed royalty rate of **sixteen and two thirds percent (16.66666%)**. Leases issued on the remainder of the tracts will have a fixed royalty rate of **twelve and one half percent (12.5%)**.

Best Interest Finding and ACMP Consistency Determination

North Slope Areawide 2000 is an exempt sale held under Alaska Statute(s) 38.05.180(d)(1), and 38.05.035(e)(6)(F). Under these provisions the commissioner may annually offer oil and gas leases of acreage that have been subject to a best interest finding issued within the previous 10 years, unless the commissioner determines that substantial new information has become available that justifies a supplement to the finding.

In support of North Slope Areawide Lease Sale 1998 (a.k.a. Lease Sale 87), the director of DO&G issued a written final finding and decision under AS 38.05.035(e) and (g), on March 17, 1998. This finding sets forth the facts, policies, and applicable laws upon which he has based his determination that oil and gas lease sales on the North Slope of Alaska will best serve the interests of the state. In addition, a final coastal zone consistency determination was also made that oil and gas lease sales are consistent with the North Slope Borough and Alaska Coastal Management Programs (ACMP) under AS 46.40.

On March 8, 2000 DO&G issued a Call for Comments requesting new information regarding the proposal to re-offer available Sale 87 acreage in North Slope Areawide 2000. Based on the information received as a result of this call for comments, August 15, 2000, DO&G issued a Decision to Supplement the best interest finding with a **supplement to Chapter 5, Reasonably Foreseeable Effects**. This decision also contains the division's responses to each comment received.

Appeal Procedures

This Decision to Supplement is a final administrative decision of the department. A person who is aggrieved by the decision to supplement the best interest finding or the division's responses to comments received, may request the commissioner to reconsider these actions under AS 35.05.035(i) and (j). To be eligible, an appellant must have meaningfully participated in the finding process by either submitting written comments during the prescribed comment periods,

or by presenting oral testimony at a public hearing regarding the sale. A request for reconsideration must be received by the Commissioner, Department of Natural Resources, in Suite 1410 of the Atwood Building, located at 550 W. 7th Ave., in Anchorage, Alaska 99501, or received by fax at (907) 269-8918 by **5:00 p.m. (ADT), September 5, 2000**. If the commissioner fails to act on the request for reconsideration by **September 14, 2000**, the request is considered denied.

A denial of a request for reconsideration is the final administrative decision for purposes of appeal to Superior Court. A person may appeal the Decision to Supplement to the Superior Court only if the person was eligible to request, and did request, an administrative reconsideration of the finding by the commissioner. An appellant must initiate an appeal to the Superior Court within 30 days from the date of denial of that reconsideration or from the date of distribution of the denial decision, in accordance with the rules of court and to the extent permitted by applicable law.

Sale Information

Copies of the Final Finding for Sale 87 are available for public review at the following locations: Nuiqsut Public Library, North Slope Borough Library Media Center, North Slope Borough offices, Tuzzy Consortium Library in Barrow, Kaveolook School Library in Kaktovik and Loussac public library in Anchorage.

Copies of the Sale Announcement w/Mitigation Measures, Instructions to Bidders w/ Estimated acreage figures (Attachment A), Bid forms, Final Finding and Supplement, and Tract maps are available from ADNDR in the following manners:

-DO&G's Webpage: **www.dnr.state.ak.us/oil**:

- Paper copies (except the final finding) during regular office hours, from DO&G, Atwood Building, 550 West 7th Ave., Suite 800: in Anchorage, or by writing DO&G , 550 West 7th Ave., Suite 800, Anchorage, Alaska 99501, Attn: Suzanne Gaguzis. Phone: 269-8803, email at msg@dnr.state.ak.us,

-CD-ROM;

Contact: State of Alaska

Support Services

Land Record Information Section

550 West 7th Avenue, Suite 706, Anchorage, AK 99501

Fax: 907-269-8920, email at gispubac@dnr.state.ak.us,

Phone Carrie Marvel at: 269-8833

The cost for each CD version of the tract Map is \$50.00, plus \$3.50 for postage. Please make checks payable to: Department of Revenue, State of Alaska. DO&G will include a free copy of Adobe Reader 3.01 for PCs and MACs on the CD to assist in viewing the PDF (plot file) format.

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.

Kenneth A. Boyd
Director

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