

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF OIL AND GAS

SEAN PARNELL, GOVERNOR

550 WEST 7<sup>TH</sup> AVENUE, SUITE 800  
ANCHORAGE, ALASKA 99501-3650

PHONE: (907) 269-8800

FAX: (907) 269-8938

September 8, 2010

## NOTICE OF SALE

### BEAUFORT SEA AREAWIDE 2010A NORTH SLOPE AREAWIDE 2010 NORTH SLOPE FOOTHILLS AREAWIDE 2010 COMPETITIVE OIL AND GAS LEASE SALES

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), will offer state lands for competitive oil and gas leasing in the Beaufort Sea Areawide 2010A (BS 2010A), North Slope Areawide 2010 (NS 2010), and North Slope Foothills Areawide 2010 (FH 2010) Oil and Gas Lease Sales on **October 27, 2010. Bid opening begins at 9:00 a.m.** in the auditorium of the Anchorage Museum at Rasmuson Center, located at 625 C Street in Anchorage. Please note the location change.

The Beaufort Sea Areawide sale area is divided into 573 tracts ranging in size from 640 to 5,760 acres. These tracts are located within the North Slope Borough and consist of state-owned tide and submerged lands in the Beaufort Sea between the Canadian border and Point Barrow. The sale area is adjacent to both the Arctic National Wildlife Refuge (ANWR) and the National Petroleum Reserve-Alaska (NPR-A). The southern fringe of the sale area includes some state-owned uplands lying between the NPR-A and the ANWR.

The North Slope Areawide sale area is divided into 1,225 tracts ranging in size from 640 to 5,760 acres. These tracts are located within the North Slope Borough between the Canning River and the ANWR on the east and the Colville River and the NPR-A on the west. The southern boundary of the sale area is the Umiat Meridian baseline.

The North Slope Foothills Areawide sale area is divided into 1,347 tracts ranging in size from 1,280 to 5,760 acres. These tracts are located between the ANWR and the NPR-A. The northern boundary of the sale area is the Umiat Meridian baseline and the southern boundary is the Gates of the Arctic National Park and Preserve.

#### **Beaufort Sea Areawide 2010A**

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, 40 through 77, 500 through 554 and 556 – 10 years.  
All other tracts – 7 years.

#### **North Slope Areawide 2010**

Bidding Method: Cash bonus bidding with a minimum bid of \$10 per acre on all tracts.  
Royalty Rate: All tracts north of NS royalty line – a fixed royalty rate of sixteen and two-thirds percent (16.66667%).  
All tracts south of NS royalty line – a fixed royalty rate of twelve and one-half percent (12.5%).  
Length of Lease: All tracts north of NS royalty line – 7 years.  
All tracts south of NS royalty line – 10 years.

#### **North Slope Foothills Areawide 2010**

Bidding Method: Cash bonus bidding with a minimum bid of \$5 per acre on all tracts.  
Royalty Rate: All leases will have a fixed royalty rate of twelve and one-half percent (12.5%).  
Length of Lease: All leases will have an initial primary term of 10 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 Information**

Complete details regarding these lease sales, including the sale announcements in their entirety, instructions to bidders, bid forms, and regional tract maps are available on the DO&G website, [www.dog.dnr.alaska.gov/oil](http://www.dog.dnr.alaska.gov/oil). If unable to access this information, contact Holly Poydack at (907) 269-8757 or [holly.poydack@alaska.gov](mailto:holly.poydack@alaska.gov). These documents 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, Anaktuvuk Pass Mayor's Office, Kaveolook School Library in Kaktovik, and Loussac Public

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

Library in Anchorage. Printed copies of the regional tract maps can be ordered for \$25 per set at the DO&G office.

**Decision of Substantial New Information for the Beaufort Sea Areawide 2010A, North Slope Areawide 2010 and North Slope Foothills Areawide 2010 Oil and Gas Lease Sales**

The commissioner of the ADNR issued Decisions of Substantial New Information for the BS 2010A, NS 2010 and FH 2010 lease sales July 8, 2010. The decisions and supplements are available on the DO&G website and at the above-mentioned locations.

The ADNR reserves the right to waive technical defects in this publication.

**Americans with Disabilities Act Compliance**

The State of Alaska, ADNR, 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 Holly Poydack at (907) 269-8757 to make any necessary arrangements.



Kevin R. Banks  
Director