

January 2011

**STATE OF ALASKA**  
**FIVE-YEAR PROGRAM**  
**OF PROPOSED**  
**OIL AND GAS**  
**LEASE SALES**



Alaska Department of  
**NATURAL**  
**RESOURCES**  
DIVISION OF OIL & GAS

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**STATE OF ALASKA**

**FIVE-YEAR PROGRAM**

**OF PROPOSED**

**OIL AND GAS**

**LEASE SALES**

**With Reports On**

**Exploration Licensing**

**Geothermal Lease Sales**

**and Financial Incentives**

**and Tax Credit Programs**

**Sean Parnell**  
**Governor**

**Daniel S. Sullivan**  
**Commissioner**  
**Department of Natural Resources**

**January 2011**



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# Introduction

The Alaska State Legislature has found that “the people of Alaska have an interest in the development of the state’s oil and gas resources” and has specified in AS 38.05.180 that the commissioner of the Department of Natural Resources (DNR) prepare a five-year proposed oil and gas leasing program.

The Five-Year Oil and Gas Leasing Program provides a stable and predictable schedule of proposed lease sales, which helps promote the further development of Alaska’s petroleum resources. This program has become a reliable way for the petroleum industry to plan for exploration and development expenditures. Business and labor use the program to prepare for resultant economic opportunities.

The program is updated annually and is available on the Division of Oil and Gas Web site. This document presents DNR’s proposed lease sales for 2011 through 2015.

DNR has identified five areas of moderate to high potential for oil and gas development and designated these areas for leasing through competitive bid sales. This report contains a brief description of the process leading up to a lease sale, a brief description of each sale area, and the program of sales for the next five years. A list of all state oil and gas lease sales held since 1959 is listed in the “Summary of State Competitive Lease Sales” starting on page 44.

A total of 25 proposed areawide lease sales are scheduled over the next five years, with one sale scheduled annually for each of the following areas: Alaska Peninsula, Cook Inlet, Beaufort Sea, North Slope, and North Slope Foothills. Fact sheets and maps describing the proposed sale areas begin on Page 16.

Article VIII, Section 1 of the Alaska Constitution states that “[i]t is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.” Section 2 further states that “[t]he legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the state, including land and waters for the maximum benefit of its people.”



Photo: Terry Peterson, DNR/DOG

Dall sheep by pipeline near Atigun Pass

Although the primary purpose of leasing is to enable and manage oil and gas development on state lands and realize the subsequent economic benefits<sup>1</sup>, the leasing program itself has been a significant revenue source.

During 2010, lease tracts were sold in six sales, resulting in an estimated \$12.66 million in bonus-bid income to the state<sup>2</sup>. A report on the final results of the 2009 lease sales and preliminary results of the 2010 lease sales is included in this report.

Approximately 89.2 percent of the state’s income during Fiscal Year 2010 was generated through the process that starts with the state’s oil and gas lease sales.<sup>3</sup>

In addition to oil and gas lease sales, DNR authorizes and manages the exploration licensing program for areas outside the areawide sale boundaries. A summary of the program and the status of exploration licensing areas begin on page 51.

In September 2008, the department also held its first geothermal lease sale in 22 years, generating \$3.5 million in bonus bids and \$108,000 in annual lease rental fees. The results of the sale can be found on page 54.

<sup>1</sup>As a result of oil and gas revenue from bonus bids, lease rentals, and royalty payments (including federal shares), and settlements during Fiscal Year 2010, approximately \$ 1.4 billion was deposited into the general fund and \$0.69 billion into the Permanent Fund and School Fund.

<sup>2</sup>Preliminary results are subject to title and administrative review, and may change significantly.

<sup>3</sup>FY2010 taxes, royalty, settlement, rental, federal share, and bonus revenue as percentage of general fund unrestricted revenue.

# Areawide Leasing

To achieve stability and predictability in the oil and gas leasing program, and in response to industry's request for more frequent sales, the state implemented competitive annual areawide leasing in geographic regions of the state where there is known potential for oil and gas discoveries. Under areawide leasing, the state offers all available state acreage within those regions for lease by competitive bidding at annually scheduled lease sales. Before areawide lease sales, DNR used a nomination process and wrote best interest findings for each sale, which was time-consuming and often did not meet industry's timelines for exploration.

The state's first areawide sale was conducted on the North Slope in June 1998. The Cook Inlet areawide sale was added to the schedule the following year, followed by the Beaufort Sea in 2000 and the North Slope Foothills in 2001. The Alaska Peninsula areawide sale was added in 2005.

Conducting annual areawide sales is more cost-effective because it allows companies to plan for and develop their exploration strategies and budgets years in advance, and to bid on any available acreage within an entire region. A regular schedule of areawide lease sales allows for quick turnaround of expired or terminated leases, or leases contracted out of units, for reoffer in the next annual sale. The result is more efficient exploration, leading to earlier development. It also allows smaller companies and individuals the opportunity to acquire leases in areas of less interest to the major oil companies. The state has conducted annual areawide sales each year since 1998, totaling 51 sales.<sup>1)</sup>

## Administrative Process

The introduction of areawide leasing brought about changes to DNR's administrative process before and following a lease sale. Previously, industry was asked to nominate specific areas to include in a lease sale, and DNR sought public comment on the proposed sale areas being considered for addition to the 5-year program. That process resulted in considerable delay between nomination of lands and the lease of those lands. Since areawide lease sales offer all available state acreage within each geographic region, there is no longer a need for industry nominations. Additionally, because the lease sale area within each region does not change, it is no longer necessary to solicit public comment on the inclusion of new lands before issuing the five-year schedule. See the "Best Interest Findings" section for an explanation of the public notice process for areawide

lease sales.

DNR has divided each lease sale area into tracts, generally consisting of nine 640-acre sections, irrespective of ownership. Many tracts in the North Slope region contain just four 640-acre sections. Because of the large number of tracts involved, the extent of the state's ownership interest in these tracts is no longer determined before a lease sale. Instead, after a lease sale, DNR verifies state title and land status only for the acreage within tracts that receive bids. A sale tract may contain land that the state cannot legally lease (i.e., land that is within an existing lease; is federal, Native, or private land; etc.). For bidding purposes, DNR assigns an estimated acreage figure to each tract, and the per acre bonus bid must reflect that assigned acreage. The actual acreage available may differ, depending on the title and land status within each tract. Acreage not owned by the state, already leased, clouded by title claims, or withdrawn will be excluded from the lease. Only those state-owned lands free and unencumbered will be included in any lease issued.

DNR publishes areawide tract maps showing generalized land status to assist potential bidders, but it is ultimately the bidder's responsibility to determine availability of the land within a tract before bidding. Current or more detailed title or land status information for a particular tract may be obtained from state land records at DNR's Public Information Center, located in Anchorage at 550 West 7th Ave., Suite 1260; phone (907) 269-8400; or the DNR Web site at <http://plats.landrecords.info/>.

DNR sends out a public notice for the competitive lease sale usually between 45 to 90 days before the sale. Sealed bids must be received by a specified date as stated in the Instructions to Bidders for the sale. Bids received are opened and read in public at the sale location, and the highest qualified bidder on the tract is awarded the lease.

Once state title to the tracts receiving bids is verified and the acreage calculated, the bonus bid amounts are adjusted and the lease is issued based on the actual acreage available. Depending upon the number of tracts receiving bids and the complexity of the land ownership, it may take several months following the lease sale before the leases are issued.

## Leasing Methods

Alaska has several leasing method options designed to encourage oil and gas exploration and maximize state

revenue, as described in AS 38.05.180(f). These methods include combinations of fixed and variable bonus bids, royalty shares, and net profit shares. Minimum bids for state leases are generally \$5 or \$10 per acre. Fixed royalty rates are generally 12 1/2 percent or 16 2/3 percent, although some have been as high as 20 percent. A sliding scale royalty has also been used on occasion. Lease terms are set at five, seven, or ten years, depending on geographical location.

Several months before a scheduled sale, a geologic and economic evaluation of the sale area is prepared to de-

termine the bidding method, leasing method and the lease terms for the sale. Public notice of the sale is sent out to an extensive mailing list maintained by the Division of Oil and Gas. Leases in areawide sale areas must be offered by competitive bidding. Leases will be issued to the highest responsible qualified bidder.

<sup>1)</sup> 1998 to 2010 areawide sales: 13 were in the North Slope, 13 in Cook Inlet (added in 1999), 11 in Beaufort Sea (added in 2000), 10 in North Slope Foothills (added in 2001), and 5 in Alaska Peninsula (added in 2005).

## Best Interest Findings

In 1996, to facilitate areawide leasing, the Alaska Legislature exempted oil and gas lease sales from the requirement of an annual new written finding. The law requires that a best interest finding has been done for the area within the previous ten years, and that the commissioner annually determines whether substantial new information has become available that justifies a supplement to the most recent finding.

Thus, once a finding for an area is written, DNR can conduct lease sales in that area for 10 years without having to repeat the entire best interest finding process. However, before each subsequent sale, DNR is required to call for comments from the public and determine whether a supplement to the most recent best interest finding is required.

The planning and execution of an oil and gas lease sale that requires a new best interest finding is a lengthy process that begins years before a sale. The process involves the participation of a number of state agencies, with DNR serving as the lead, along with federal agencies, Native corporations, local governments, non-governmental agencies, industry, and the public. Before disposing of an interest in state land, including an oil and gas lease sale, DNR must prepare a written finding that determines if the sale is in the best interest of the state.

When DNR prepares a preliminary written finding for an oil and gas lease sale, the department is required to consider and discuss the facts that are known at the time of preparation of the finding and that are material to the following: property descriptions, petroleum potential, fish and wildlife species and their habitats, current and projected uses, governmental powers to regulate oil and gas, reasonably foreseeable cumulative effects, lease stipulations and mitigation measures,

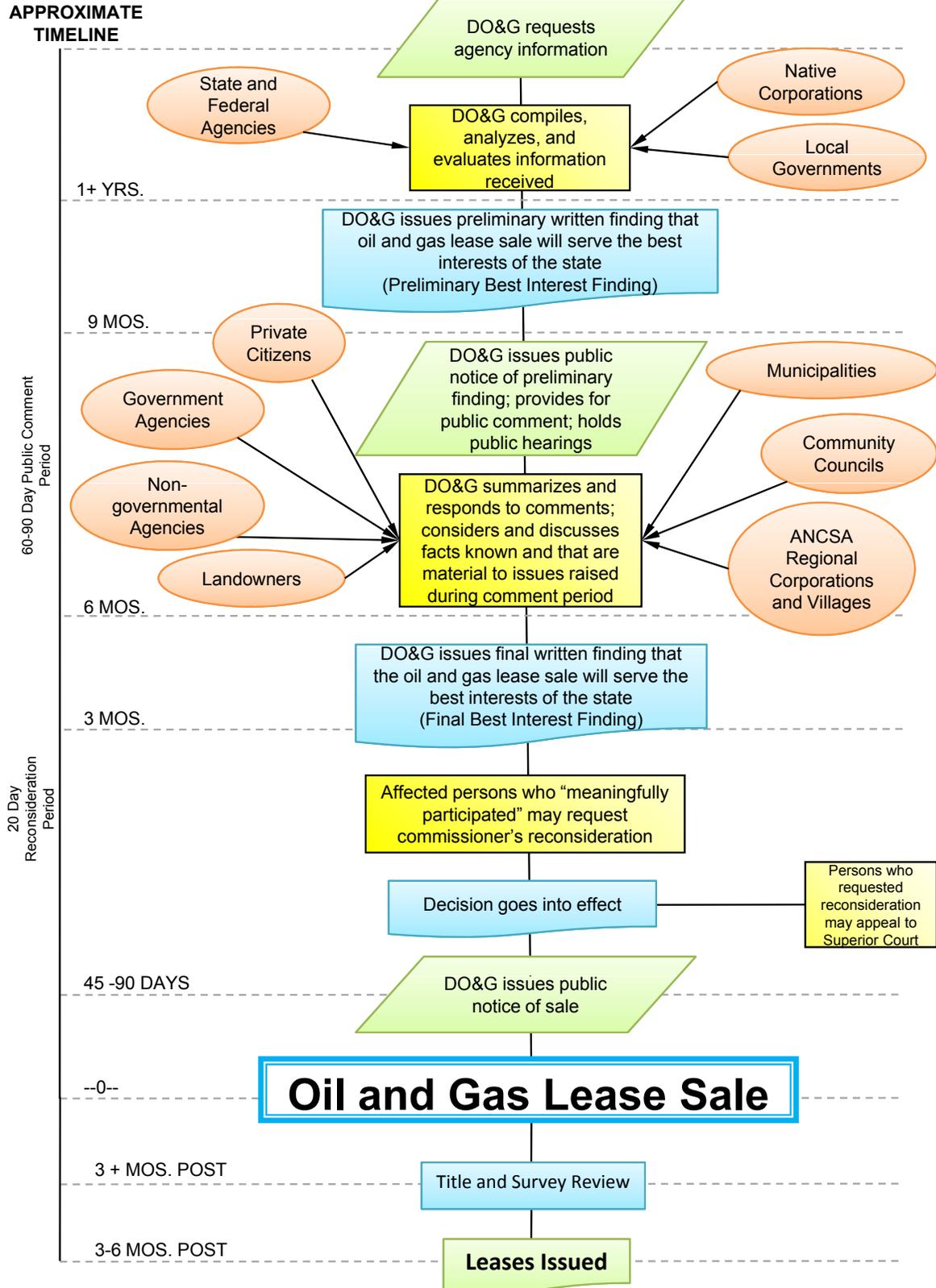
methods most likely to be used to transport oil or gas, reasonably foreseeable effects on municipalities and communities, bidding methods, and the basis for the finding that, on balance, leasing the area would be in the state's best interest.

A preliminary finding is made available to the public at least six months before a sale and followed by an opportunity for public comment for a period of not less than 60 days. DNR gives public notice of a preliminary written finding by publication of legal notices and display advertising in newspapers of statewide and general circulation, public service announcements, posting in conspicuous locations such as post offices and libraries, notification of parties known or likely to be affected, and other methods (such as the State of Alaska online public notice) calculated to reach affected parties.

During the public comment period, DNR may conduct workshops or hold open houses, public hearings, or public meetings in one or more of the affected communities. If the land is within the boundaries of a municipality or a regional corporation, that municipality or regional corporation may also hold a hearing, which department personnel attend. Comments received during the comment period help in developing a final finding. DNR releases the final finding, which determines whether the sale is in the state's best interests, at least 90 days before a scheduled sale.

When the proposed lease sale includes land within the Alaska coastal zone, DNR concurrently analyzes the sale for consistency with the Alaska Coastal Management Program (ACMP), including any affected district coastal management plan. The ACMP consistency analysis is published with the preliminary written finding; the final ACMP consistency determination is issued concurrently with the final finding.

# Lease Sale Process With New Best Interest Finding



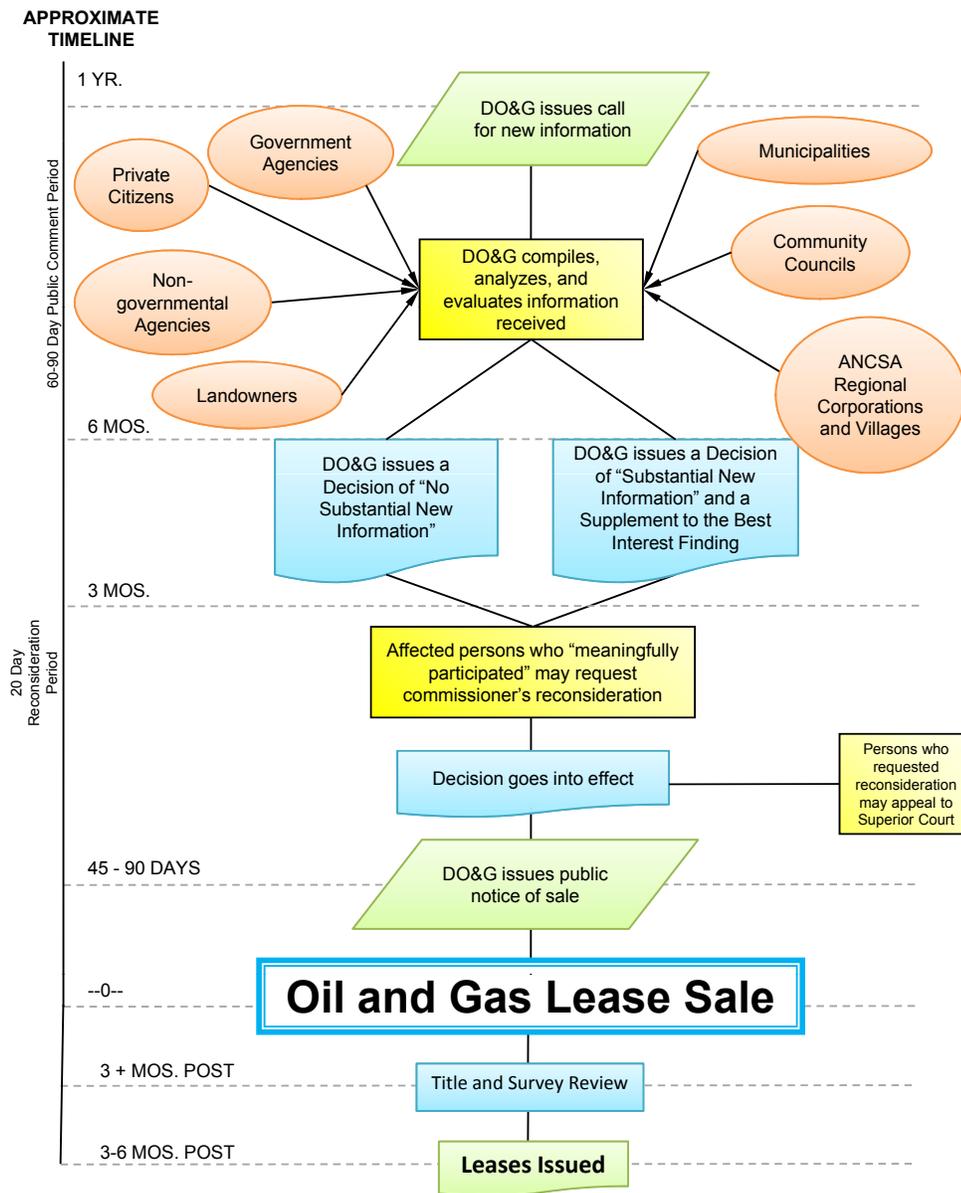
## Annual Lease Sales

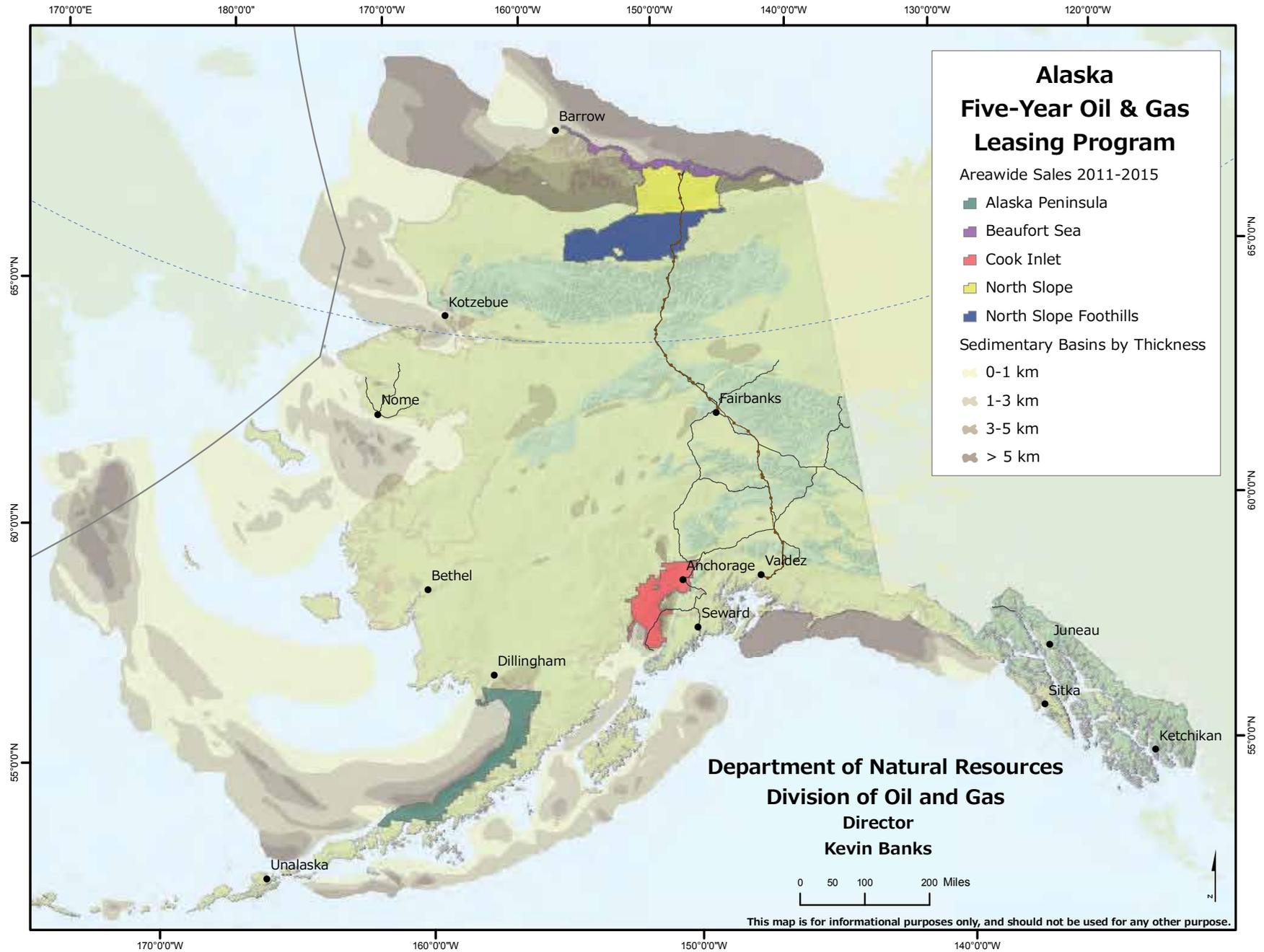
In the 10 years following the issuance of a best interest finding, DNR annually issues a "Call for New Information." The Call for New Information is a request for any new information that has become available since the most recent best interest finding, or supplement for that lease sale area, was issued. The Call for New Information provides opportunity for public comment for a period of not less than 30 days. Based on the information received, the commissioner determines whether it is necessary to supplement the finding. The commission-

er then either issues a supplement to the finding or a "Decision of No New Substantial Information" 90 days before the lease sale. The supplement has the status of a final written best interest finding.

Mitigation measures identified in the best interest finding are included as terms of the lease in all sales during the effective period of a finding. A new coastal management consistency review is done whenever the commissioner determines that new information or conditions suggest a proposed lease sale may no longer be consistent with ACMP standards.

### Annual Lease Sale Process (between scheduled best interest findings)





**FIVE-YEAR OIL AND GAS LEASING PROGRAM  
PUBLIC NOTIFICATION SCHEDULE FOR AREAWIDE LEASE SALES**

Proposed Sale Area & Date	2011												2012												2013												2014												2015											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Alaska Peninsula Areawide 2011 May																																																												
Cook Inlet Areawide 2011 May																																																												
Beaufort Sea Areawide 2011 Oct																																																												
North Slope Areawide 2011 Oct																																																												
North Slope Foothills Areawide 2011 BIF Oct																																																												
Alaska Peninsula Areawide 2012 May																																																												
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Cook Inlet Areawide 2015 May																																																												
Beaufort Sea Areawide 2015 Oct																																																												
North Slope Areawide 2015 BIF Oct																																																												
North Slope Foothills Areawide 2015 Oct																																																												

C= Call for comments  
 E= End of comment period  
 BIF= New Best Interest Finding  
 F= Final Finding  
 P= Preliminary Best Interest Finding/ACMP Consistency Analysis  
 FS= Supplement to Final Finding and/or Notice of Sale and Terms  
 N= Notice of sale and terms  
 S= Sale

## Best Interest Finding Schedule

Once issued, a best interest findings is valid for 10 years. The schedule for issuing new findings was modified in 2009 to spread the workload more evenly throughout the ten-year cycle. One of the five areawide best interest findings is now scheduled to be rewritten every two years. New findings were issued for Cook Inlet and Beaufort Sea in 2009, and a new finding for North Slope Foothills is underway and scheduled to be issued in 2011. The schedule for issuing 10-year best interest findings is provided below.

Areawide O&G Sale Area	Best Interest Finding Issued	Best Interest Finding Expires	New Finding Process Begins	Estimated Completion
Alaska Peninsula	July 25, 2005	July 24, 2015	2011	2013 <sup>a)</sup>
Cook Inlet	January 20, 2009	January 19, 2019	2015	2017 <sup>b)</sup>
Beaufort Sea	November 9, 2009	November 8, 2019	2017	2019 <sup>c)</sup>
North Slope	July 15, 2008	July 14, 2018	2013	2015 <sup>d)</sup>
North Slope Foothills	February 7, 2001	February 6, 2011	June 2009	2011 <sup>e)</sup>

a) A new BIF for the Alaska Peninsula was originally scheduled for 2015. According to the revised schedule, the next BIF for the Alaska Peninsula will be issued in 2013.

b) Following the BIF issued for Cook Inlet in 2009, the next BIF was originally scheduled to be issued in 2019. According to the revised schedule, the next BIF for Cook Inlet will be issued in 2017.

c) The Beaufort Sea schedule did not change.

d) A new BIF for the North Slope was originally scheduled for 2018. According to the revised schedule, the next BIF for the North Slope will be issued in 2015.

e) The North Slope Foothills BIF schedule did not change; the process for issuing a new finding began in June 2009.



Fault zone breccia in the Brooks Range foothills contains a deeply weathered and diverse mix of rock types, including sooty organic-rich shale, fragments of solid hydrocarbon, and angular fragments of varicolored clays. This photo is from the Desolation Creek fault zone along the Siksikpuk River, where olistostromal and *mélange* facies of the basal Brookian sequence Okpikruak Formation have been thrust over turbidites of the Torok Formation; both units are of Lower Cretaceous age. See geologic map at <http://www.dggs.dnr.state.ak.us/pubs/id/15757>. Photo: Paul Decker, DOG

# Five-Year Program of Proposed Oil & Gas Lease Sales

## Five-Year Program for Oil and Gas Areawide Sales 2011-2015

Sale Area	Annually Held In
Alaska Peninsula Areawide	May
Cook Inlet Areawide	May
Beaufort Sea Areawide	October
North Slope Areawide	October
North Slope Foothills Areawide	October

**D**NR expects to continue areawide leasing for the next five-year program cycle, annually offering the five existing sale areas for leasing by competitive bidding.

On May 12, 2008, DNR notified the Legislature that it was returning to a twice-yearly schedule for lease sales starting in calendar year 2009. The new schedule is a return to the twice-yearly sale schedule the department had for many years.

The new schedule holds lease sales in May and October of each year. Years 2011 through 2015 will also reflect this change.

The best interest finding issued for each sale area allows DNR to conduct areawide lease sales for up to ten years without repeating the entire best interest finding process each year. However, before holding a sale in the years following the issuance of the final finding, DNR

must determine whether a supplement to the finding is required.

Annually, approximately nine months before each proposed lease sale, DNR calls for comments from the public, requesting any new information that has become available since the most recent best interest finding for that area was issued. Based on a determination of whether substantial new information that justifies a supplement has become available, DNR issues either a "Decision of New Substantial Information" and a supplement to the finding, or a "Decision of No New Substantial Information" not later than 90 days before the lease sale.

Each year, a geologic and economic evaluation of the sale area is prepared several months before a scheduled sale to decide whether to offer the area, and to determine the bidding method, leasing method and the lease terms for the sale.

# Alaska Peninsula Areawide Oil and Gas Lease Sale

## Annually Held in May

**Property Description and Location:** The proposed oil and gas lease sale area on the Alaska Peninsula for 2011-2015 is located on the north side of the Alaska Peninsula, stretching from the Nushagak Peninsula in the north, south and west to the vicinity of Cold Bay. The lease sale area covers about 5.8 million acres, and is divided into 1,047 tracts ranging in size from 1,280 to 5,760 acres. Approximately 1.75 million acres of the gross sale area are offshore. The lease sale area contains tracts in which the state owns both the land estate and the mineral estate; and tracts where the state owns just the mineral estate, while the land estate might be either privately owned or owned by a municipality. The most recent best interest finding for the Alaska Peninsula was issued on July 25, 2005. On November 18, 2010, DNR called for comments from the public requesting new information that has become available since the most recent best interest finding. Based on a determination of whether substantial new information has become available that justifies a supplement to the most recent best interest finding, DNR plans to issue either a "Decision of New Substantial Information" and a supplement to the finding or a "Decision of No New Substantial Information" in February 2011, for a proposed May 2011 lease sale.

In 2007, Senator Lisa Murkowski and Representative Don Young introduced the approval of the King Cove-Izebek Land Exchange in Congress. The land exchange was rolled into the Omnibus Lands Bill, which passed in 2009 and signed into law by President Obama in March 2010. On August 19, 2010, Governor Sean Parnell signed House Bill 210 authorizing the land exchange with the federal government for the road corridor through the Izembek National Wildlife Refuge, providing road access between King Cove and Cold Bay. Lands involved with this exchange are not within the Alaska Peninsula sale boundary.

**Petroleum Potential:** Petroleum potential in the area is considered low to moderate.

**Other Resource Issues:** The proposed lease sale area contains some of the most productive fish and wildlife populations in the state.

A wide variety of mammals inhabit the region including

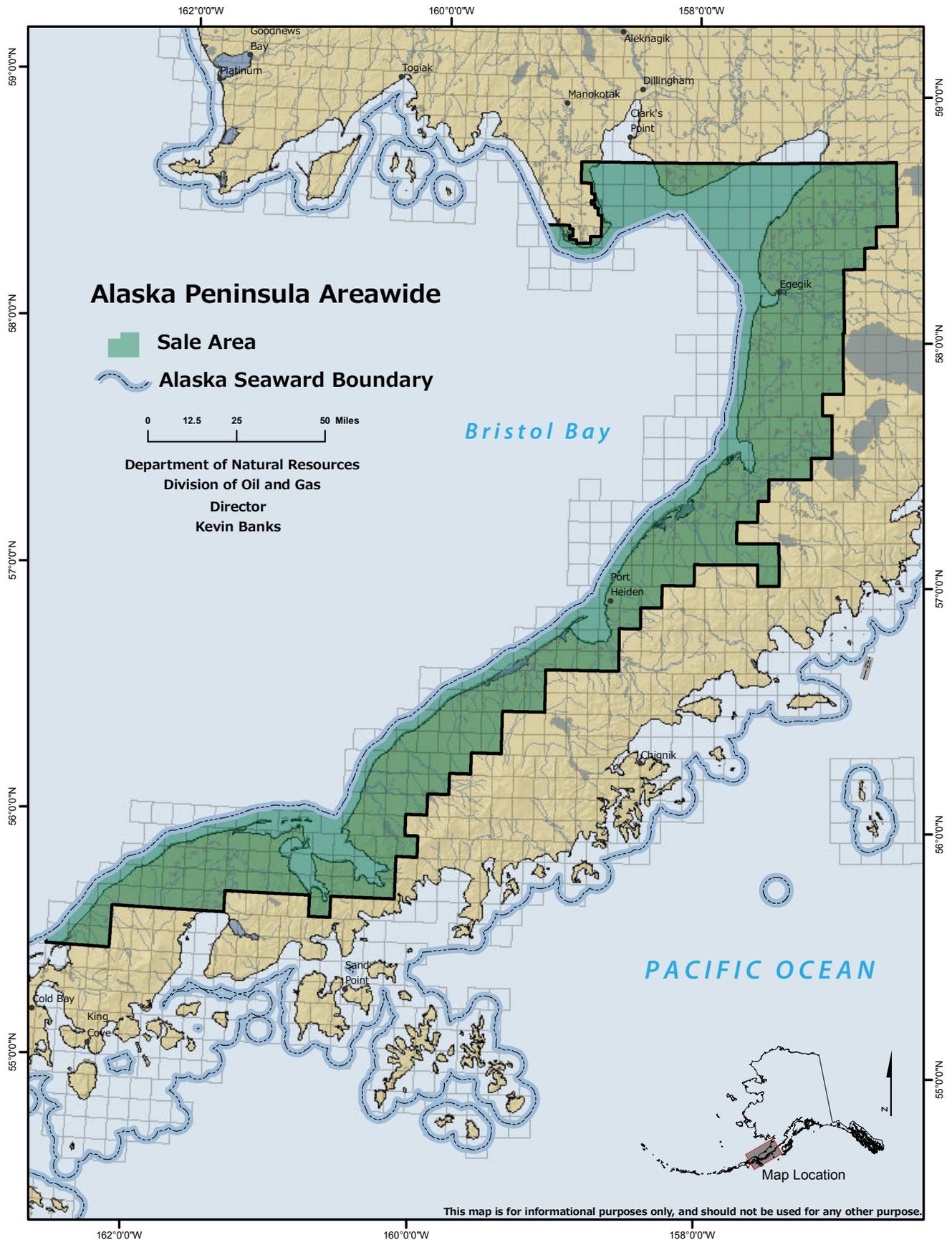
caribou, brown bear, moose, Pacific walrus, beluga whale, gray whale, Steller sea lion, harbor seal, and sea otter. Steller sea lions have been listed as threatened under the federal Endangered Species Act since 1990, and several established rookery sites and critical habitat areas exist within Bristol Bay. The spotted seal has been listed as threatened under the Endangered Species act as well, and the final rule of their status is effective November 22, 2010. No critical habitat is expected to be established for the spotted seal as their southern distinct population segment occurs outside the United States. The southwest Alaska Distinct Population Segment of the northern sea otter was listed as threatened under the federal Endangered Species Act in 2005, and critical habitat was designated in the Port Moller and Herendeen Bay area in 2009. The area provides staging, feeding, and nesting habitat for hundreds of species of shorebirds and waterfowl, collectively numbering in the millions of birds. All five species of Pacific salmon occur in the area, as well as Dolly Varden, rainbow trout, Arctic grayling, burbot, and a variety of other fishes. Fish and wildlife populations in the area are harvested extensively for subsistence and sport use, and contribute significantly to the local economy.

**Municipalities and Communities:** Portions of the proposed lease sale area lie within the boundaries of the Bristol Bay, Lake and Peninsula, and Aleutians East boroughs and the Dillingham Census Area. A lease sale must be consistent with the Alaska Coastal Management Program and the local borough and Bristol Bay Coastal Resource Service Area district plans.

## Municipalities & Communities

Community	Municipal Classification	Population (2009)
Aleutians East Borough	2nd Class Borough	2,778
Bristol Bay Borough	2nd Class Borough	967
Lake & Peninsula Borough	Home Rule Borough	1,547
Dillingham	1st Class City	2,264
Cold Bay	2nd Class City	84
Port Heiden	2nd Class City	83
Egegik	2nd Class City	73
Pilot Point	2nd Class City	66
Naknek	Unincorporated	516
King Salmon	Unincorporated	383
South Naknek	Unincorporated	68
Nelson Lagoon	Unincorporated	60
Ugashik	Unincorporated	15

Source: [http://www.commerce.state.ak.us/dca/commdb/CF\\_BLOCK.html](http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.html)



# Cook Inlet Areawide Oil and Gas Lease Sale

## Annually Held in May

**Property Description and Location:** The Cook Inlet Areawide oil and gas lease sale area consists of state-owned uplands located in the Matanuska and Susitna river valleys generally south and west of Houston and Wasilla, the Anchorage Bowl, the western and southern Kenai Peninsula from Point Possession to Anchor Point, and the western shore of Cook Inlet from the Beluga River to Harriet Point. The lease sale area also includes the tide and submerged lands in upper Cook Inlet from Knik Arm and Turnagain Arm south to Anchor Point and Tuxedni Bay. The area is bounded on the east by the Chugach and Kenai mountains and on the west by the Aleutian Range. The area is about 4.2 million acres and is divided into 815 tracts ranging from 640 to 5,760 acres.

A best interest finding for Cook Inlet was issued on January 20, 2009. On November 18, 2010, DNR called for comments from the public requesting new information that has become available since the most recent best interest finding. Based on a determination of whether substantial new information has become available that justifies a supplement to the most recent best interest finding, DNR plans to issue either a "Decision of New Substantial Information" and a supplement to the finding, or a "Decision of No New Substantial Information" in February 2011, for a proposed May 2011 lease sale.

**Petroleum Potential:** Petroleum potential in the area is considered low to moderate.

**Other Resources:** The Cook Inlet region is used extensively for recreation, subsistence and sport fishing, hunting and gathering, and commercial and personal use fishing. Five species of Pacific salmon are fished commercially throughout Cook Inlet. Numerous im-

portant anadromous fish streams are found within the lease sale area. The area provides important habitat for moose, black and brown bear, caribou, and waterfowl. Marine mammals found near or within the area include beluga whales, Steller sea lions, sea otters, and harbor seals. Species listed as threatened or endangered under the federal Endangered Species Act that inhabit the lease sale area include Steller's eider (Alaska breeding population, threatened), Cook Inlet beluga whale (endangered), and Steller sea lion (east of 144 degrees longitude, threatened; west of 144 degrees longitude, endangered). The southwest Alaska Distinct Population Segment of the northern sea otter was listed as threatened under the federal Endangered Species Act in 2005, and critical habitat was designated around Chisik Island and Tuxedni Bay in 2009. On December 1, 2009, the National Marine Fisheries Service published a proposed rule to designate critical habitat for beluga whales in Cook Inlet; a final designation of critical habitat has been delayed due to continuing litigation.

A number of state and federal wildlife refuges, critical habitat areas, recreation areas, and parks exist within or near the lease sale area. These areas encompass important fish and wildlife habitat, and have significant scenic and recreational value.

**Municipalities and Communities:** The sale area is within the boundaries of the Matanuska-Susitna Borough, the Municipality of Anchorage, and the Kenai Peninsula Borough. All have approved coastal management plans, which are incorporated in the Alaska Coastal Management Program. Cook Inlet oil and gas lease sales for 2009-2018 have been found to be consistent with the ACMP and coastal district plans.

## Cook Inlet Municipalities & Communities

Community	Municipal Classification	Population (2009)	Community	Municipal Classification	Population (2009)
Municipality of Anchorage	Unified Home Rule Municipality	290,588	Eklutna	Unincorporated	384
Kenai Peninsula Borough	2nd Class Borough	53,602	Happy Valley	Unincorporated	561
Matanuska-Susitna Borough	2nd Class Borough	84,314	Hope	Unincorporated	151
Kenai	Home Rule City	7,115	Kalifornsky	Unincorporated	7,495
Palmer	Home Rule City	5,532	Kasilof	Unincorporated	536
Homer	1st Class City	5,551	Knik-Fairview	Unincorporated	13,824
Seldovia	1st Class City	265	Nanwalek	Unincorporated	226
Soldotna	1st Class City	4,021	Nikiski	Unincorporated	4,465
Wasilla	1st Class City	7,245	Nikolaevsk	Unincorporated	315
Houston	2nd Class City	1,664	Port Graham	Unincorporated	137
Anchor Point	Unincorporated	1,772	Ridgeway	Unincorporated	2,050
Big Lake	Unincorporated	3,331	Salamatof	Unincorporated	855
Clam Gulch	Unincorporated	166	Seldovia Village	Unincorporated	265
Cohoe	Unincorporated	1,332	Sterling	Unincorporated	5,348
			Tyonek	Unincorporated	166

Source: [http://www.commerce.state.ak.us/dca/commdb/CF\\_BLOCK.htm](http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm)

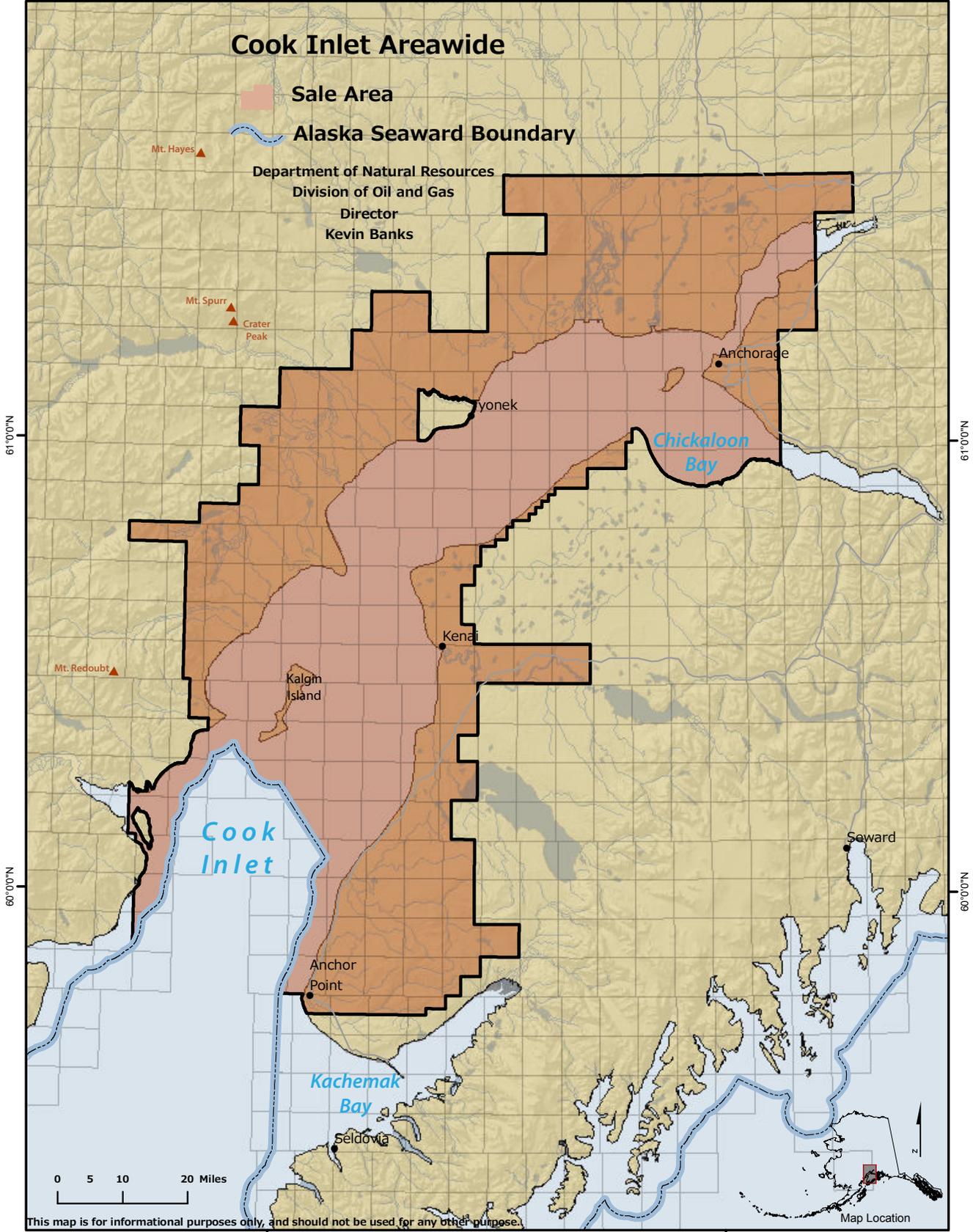
152°0'0"W

150°0'0"W

# Cook Inlet Areawide

Sale Area  
 Alaska Seaward Boundary

Department of Natural Resources  
 Division of Oil and Gas  
 Director  
 Kevin Banks



61°0'0"N

61°0'0"N

60°0'0"N

60°0'0"N

152°0'0"W

150°0'0"W

This map is for informational purposes only, and should not be used for any other purpose.

Map Location



# Beaufort Sea Areawide Oil and Gas Lease Sale

## Annually Held in October

**Property Description and Location:** The 2011-2015 oil and gas lease sale area of the Beaufort Sea consists of state-owned tide and submerged lands located along the Beaufort Sea coast, between the U.S.-Canada border and Point Barrow. The lease sale area also includes some coastal uplands between the Canning and Colville Rivers. The lease sale area encompasses about 2 million acres divided into 576 tracts, ranging in size from 640 to 5,760 acres.

A new best interest finding for the Beaufort Sea was issued on November 9, 2009. This finding was not issued in time to meet statutory requirements; therefore, Beaufort Sea tracts were not offered with North Slope and North Slope Foothills tracts in the October 2009 lease sale. The Beaufort Sea Areawide 2009 lease sale was held on February 24, 2010 and renamed Beaufort Sea Areawide 2010. On April 22, 2010, DNR called for comments from the public requesting new information that has come available since the most recent best interest finding. DNR issued a "Decision of New Substantial Information" on July 8, 2010. The regularly scheduled Beaufort Sea 2010 lease sale was held on October 27, 2010 and renamed Beaufort Sea Areawide 2010A.

**Petroleum Potential:** The petroleum potential in the area is considered moderate to high.

**Other Resources:** The marine and coastal environments along the Beaufort Sea lease sale area provide denning habitat for polar bears and pupping habitat for ringed seals. Bowhead and beluga whales migrate through the lease sale area during spring and fall. Numerous species of waterfowl, shorebirds, and seabirds migrate along the Beaufort Sea and nest, stage, and molt in the lagoon areas. Nearshore waters provide habitat for many fish species. Caribou, brown bear, and moose are found along major rivers. Residents of Barrow, Nuiqsut, and Kaktovik use the area's fish and wildlife re-

sources for subsistence; fall and spring hunts for bowhead whales are especially important.

Only four species found in the lease sale area are listed as threatened or endangered under the federal Endangered Species Act: polar bear (threatened), spectacled eider (threatened), Steller's eider (threatened), and bowhead whale (endangered).

Bowhead whales are classified as depleted under the Marine Mammal Protection Act, and as endangered under the Endangered Species Act.

However, NMFS has not designated critical habitat under the Endangered Species Act for this population because "the decline and reason for listing the species was overexploitation by commercial whaling, and habitat issues were not a factor in the decline; there is no indication that habitat degradation is having any negative impact on the increasing population in the present; the population is abundant and increasing; and existing laws and practices adequately protect the species and its habitat."

Polar bears are listed as threatened under the Endangered Species Act. On December 7, 2010, the USFWS issued a final rule designating 187,157 square miles as critical habitat, including sea ice in the Beaufort Sea and denning habitat on the North Slope.

**Municipalities and Communities:** The Beaufort Sea lease sale area lies within the boundaries of the Alaska Coastal Management Program. Oil and gas activities in areas of the state's coastal zone must be consistent with the Alaska Coastal Management Program; Beaufort Sea oil and gas lease sales for 2009-2018 have been found to be consistent with the ACMP. The North Slope Borough's comprehensive plan and land management regulations may impose restrictions on oil and gas activity in the lease sale area.

## Municipalities & Communities

Community	Municipal Classification	Population (2008)
North Slope Borough	Home Rule Borough	6,828
Barrow	1st Class City	4,119
Atkasuk	2nd Class City	201
Kaktovik	2nd Class City	286
Prudhoe Bay/Deadhorse	Unincorporated	3
Nuiqsut	2nd Class City	424

Source: [http://www.commerce.state.ak.us/dca/commdb/CF\\_BLOCK.htm](http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm)

156°0'0"W 154°0'0"W 152°0'0"W 150°0'0"W 148°0'0"W 146°0'0"W 144°0'0"W 142°0'0"W 140°0'0"W

This map is for informational purposes only, and should not be used for any other purpose.

# Beaufort Sea Areawide

- Sale Area
- State / ASRC Settlement Boundary
- Royalty Boundary
- Alaska Seaward Boundary

0 12.5 25 50 Miles



Department of Natural Resources  
 Division of Oil and Gas  
 Director  
 Kevin Banks

## BEAUFORT SEA

72°0'0"N

71°0'0"N

70°0'0"N

69°0'0"N

72°0'0"N

71°0'0"N

70°0'0"N

69°0'0"N

68°0'0"N

Barrow

Nuiqsut

Deadhorse

Kaktovik

National Petroleum Reserve Alaska

Umiat

Arctic National Wildlife Preserve

DALTON HWY  
TRANS-ALASKA PIPELINE

156°0'0"W 154°0'0"W 152°0'0"W 150°0'0"W 148°0'0"W 146°0'0"W 144°0'0"W 142°0'0"W

156°0'0"W

154°0'0"W

152°0'0"W

This map is for informational purposes only, and should not be used for any other purpose.

# Beaufort Sea Areawide

- Sale Area
- Royalty Boundary
- Alaska Seaward Boundary

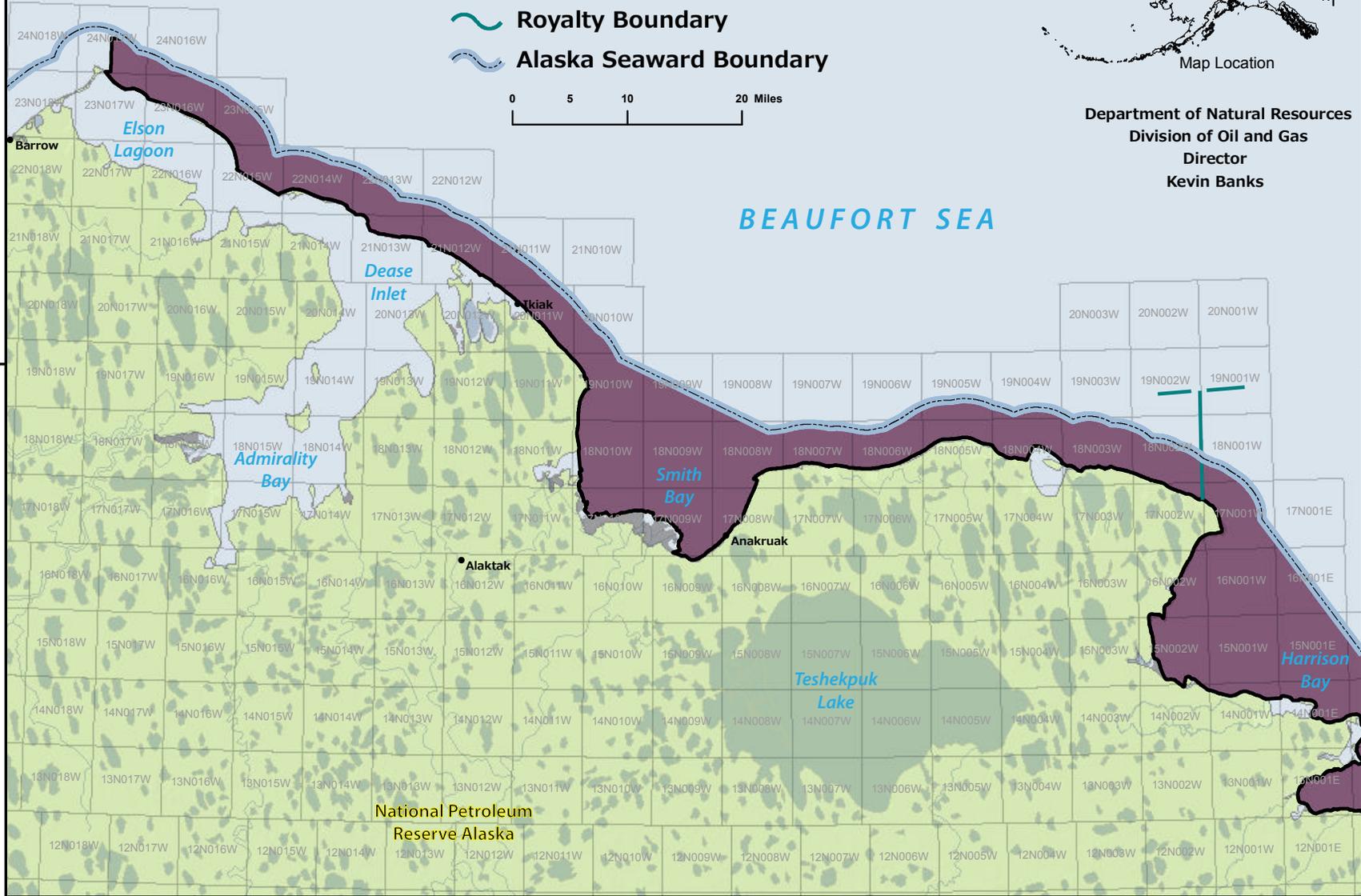


Department of Natural Resources  
 Division of Oil and Gas  
 Director  
 Kevin Banks

## BEAUFORT SEA

71°0'0"N

71°0'0"N



156°0'0"W

154°0'0"W

152°0'0"W

150°0'0"W

148°0'0"W

This map is for informational purposes only, and should not be used for any other purpose.

# Beaufort Sea Areawide

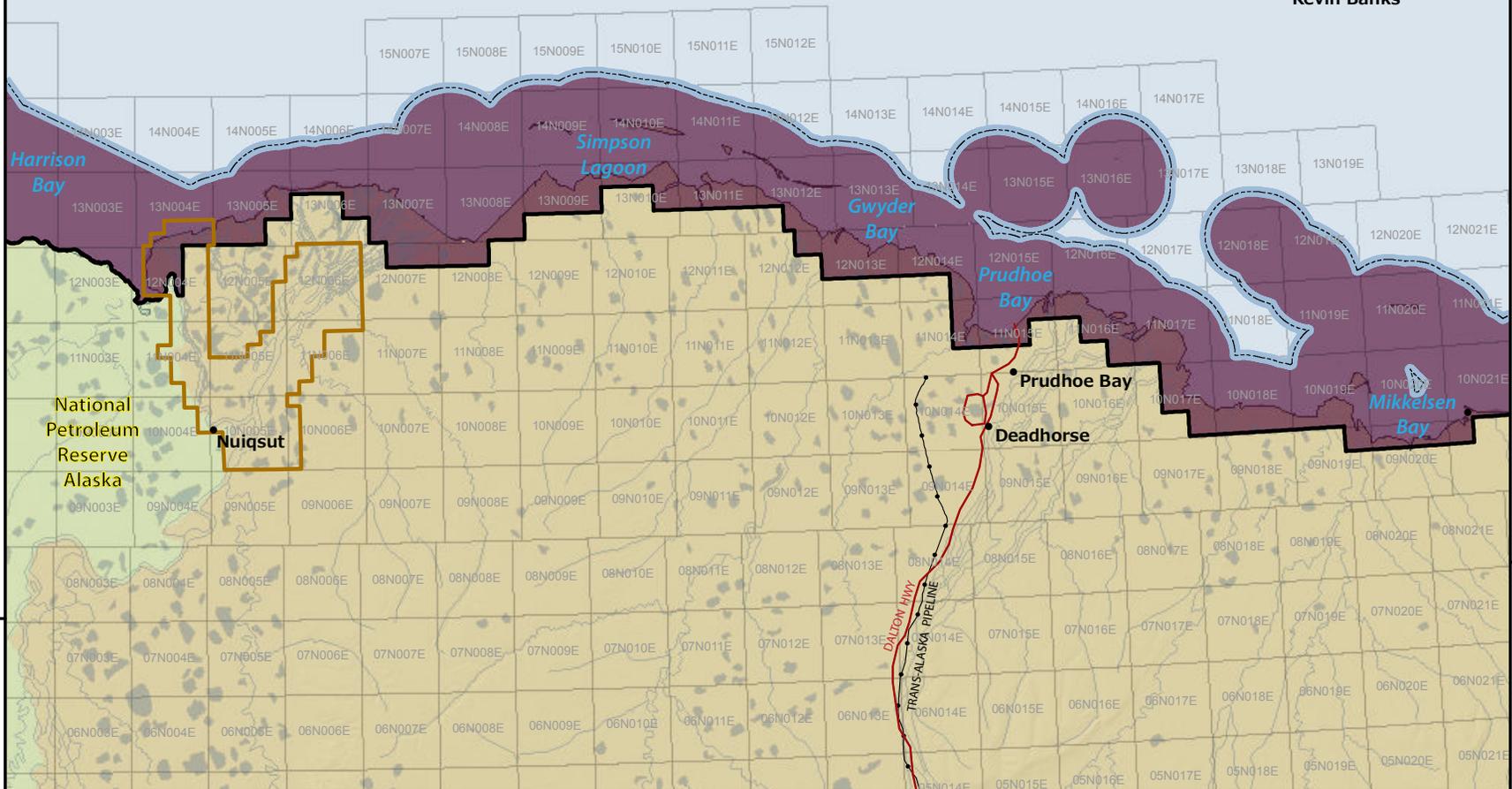
-  Sale Area
-  State / ASRC Settlement Boundary
-  Alaska Seaward Boundary



Map Location

Department of Natural Resources  
 Division of Oil and Gas  
 Director  
 Kevin Banks

## BEAUFORT SEA



150°0'0"W

148°0'0"W

71°0'0"N

71°0'0"N

70°0'0"N

70°0'0"N

25

N.00°12'

146°00'W

144°00'W

142°00'W

This map is for informational purposes only, and should not be used for any other purpose.

# Beaufort Sea Areawide

-  Sale Area
-  Royalty Boundary
-  Alaska Seaward Boundary

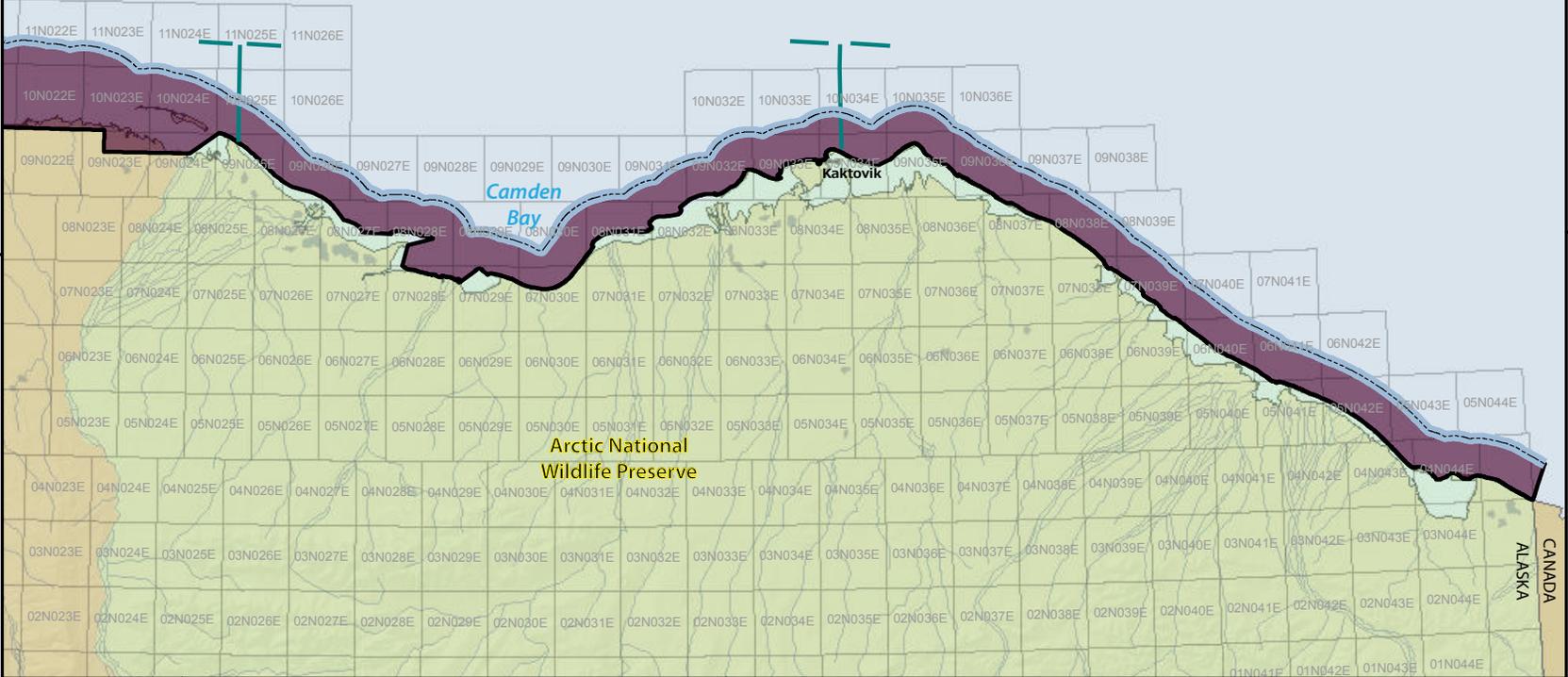


Department of Natural Resources  
 Division of Oil and Gas  
 Director  
 Kevin Banks

## BEAUFORT SEA

N.00°02'

N.00°02'



146°00'W

144°00'W

142°00'W

CANADA  
ALASKA

# North Slope Areawide Oil and Gas Lease Sale

## Annually Held in October

**Property Description and Location:** The North Slope Areawide oil and gas lease sale area consists of all state-owned lands between the National Petroleum Reserve-Alaska and the Arctic National Wildlife Refuge (ANWR), and from the Beaufort Sea to the north and the Umiat Meridian Baseline to the south. The gross lease sale area is approximately 5.1 million acres and is divided into 1,225 tracts. Only those state-owned oil and gas mineral estates that are free and unencumbered will be leased.

The most recent best interest finding for the North Slope was issued on July 15, 2008. Approximately nine months before a proposed October lease sale, DNR will call for comments from the public requesting new information that has become available since the most recent best interest finding. Based on a determination of whether substantial new information has become available that justifies a supplement to the most recent best interest finding, DNR will issue either a "Decision of New Substantial Information" and supplement to the finding, or a "Decision of No New Substantial Information" not later than 90 days before the sale. On April 22, 2010 DNR called for comments from the public requesting new information that has become available since the most recent best interest finding. On July 8, 2010 DNR issued a "Decision of New Substantial Information."

**Petroleum Potential:** Petroleum potential in the area is considered low to moderate with the potential generally increasing from south to north.

**Other Resources:** The lease sale area supports a variety of wildlife. Caribou from the Central Arctic herd and the Teshekpuk Lake herd utilize parts of the region. Brown bears and moose are found along the Colville and Itkillik Rivers. Polar bear dens have been documented in the Colville River delta. Spotted seals haul out on sandbars in the Colville River delta. Arctic fox, wolverine, and wolves also inhabit the area. Millions of birds migrate through or near the area during the summer, stopping to feed or rest on the numerous small tundra ponds typical of the area. The Colville River

delta wetlands provide important staging, nesting, feeding, and molting habitat for many species of birds. Freshwater resident fish include Arctic grayling, burbot, and whitefish. Anadromous and amphidromous fish include Dolly Varden, Arctic Char, cisco, whitefish, and salmon. Residents of Nuiqsut and Anaktuvuk Pass use the area for fishing and hunting birds, caribou, and other species.

Only four species found in the lease sale area are listed as threatened or endangered under the federal Endangered Species Act: polar bear (threatened), spectacled eider (threatened), bowhead whale (endangered) and Steller's eider (threatened).

Bowhead whales are classified as depleted under the Marine Mammal Protection Act, and as endangered under the Endangered Species Act. However, NMFS has not designated critical habitat under the Endangered Species Act for this population because "the decline and reason for listing the species was overexploitation by commercial whaling, and habitat issues were not a factor in the decline; there is no indication that habitat degradation is having any negative impact on the increasing population in the present; the population is abundant and increasing; and existing laws and practices adequately protect the species and its habitat."

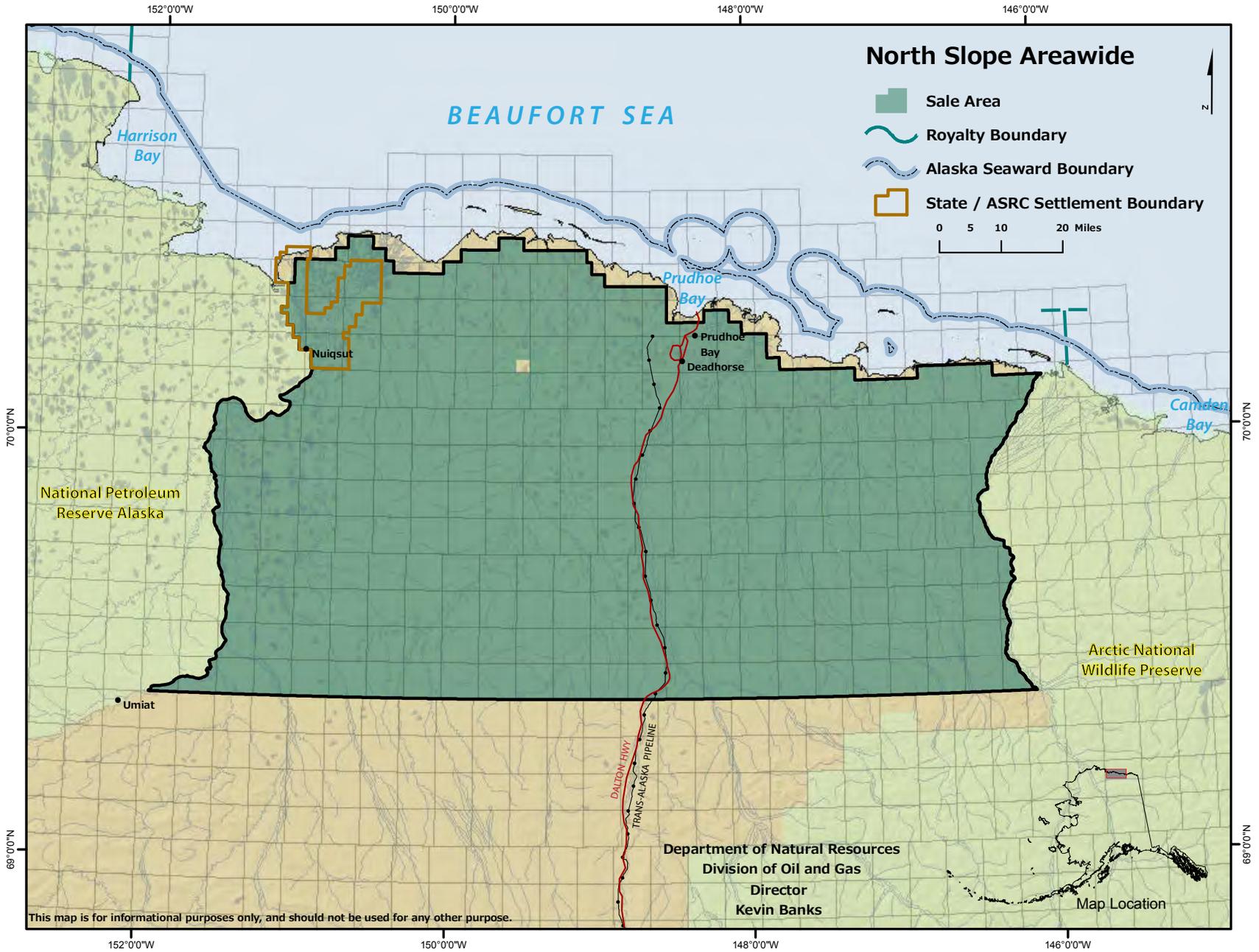
Polar bears are listed as threatened under the Endangered Species Act. On December 7, 2010, the USFWS issued a final rule designating 187,157 square miles as critical habitat, including sea ice in the Beaufort Sea and denning habitat on the North Slope.

**Municipalities and Communities:** Portions of the lease sale area lie within the boundaries of the North Slope Borough Coastal Management District. Oil and gas activities in this area of the state's coastal zone must be consistent with the Alaska Coastal Management Program. The North Slope Borough has adopted a comprehensive plan and land management regulations that may impose restrictions on oil and gas activity in the lease sale area.

## Municipalities & Communities

Community	Municipal Classification	Population (2008)
North Slope Borough	Home Rule Borough	6,828
Prudhoe Bay/Deadhorse	Unincorporated	3
Nuiqsut	2nd Class City	424
Anaktuvuk Pass	2nd Class City	287

Source: [http://www.commerce.state.ak.us/dca/commdb/CF\\_BLOCK.htm](http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm)





# North Slope Foothills Areawide Oil and Gas Lease Sale

## Annually Held in October

**Property Description and Location:** The North Slope Foothills Areawide oil and gas lease sale lies between the National Petroleum Reserve-Alaska (NPR-A) and the Arctic National Wildlife Refuge (ANWR), south of the Umiat Baseline and north of the Gates of the Arctic National Park and Preserve.

The gross lease sale area is approximately 7.6 million acres and is divided into 1,347 tracts ranging from 1,280 to 5,760 acres. Only those state-owned oil and gas mineral estates that are free and unencumbered will be leased.

The best interest finding for the North Slope Foothills was issued in February 2001 and supplemented in January 2002 and July 2010; this finding is valid through February 10, 2011. Based on a determination of whether substantial new information has become available that justifies a supplement to the most recent best interest finding, DNR issues either a "Decision of New Substantial Information" and a supplement to the finding, or a "Decision of No New Substantial Information" no later than 90 days before the sale.

On April 22, 2010, DNR called for comments requesting new information. DNR issued a "Decision of New Substantial Information" and a supplement to the most recent best interest finding on July 8, 2010.

DNR is drafting a new preliminary best interest finding for this area. A final finding is scheduled to be issued in early 2011, at least 90 days before an October 2011 lease sale.

**Petroleum Potential:** Petroleum potential in the area is considered relatively high for gas, and relatively low for oil.

**Other Resources:** Four caribou herds utilize the lease sale area: the Western Arctic herd, the Central Arctic herd, the Teshekpuk Lake herd and the Porcupine herd. Caribou use the lease sale area as winter range and travel along the river drainages and mountain passes to summer calving areas along the Beaufort Sea coast.

Riparian habitats found within the lease sale area are important to a variety of species including moose, brown bears, muskoxen, wolves, furbearers, and numerous species of birds. Some of the higher mesa or butte areas are used for lambing and mineral licks by Dall sheep.

Major river valleys, where willow thickets are most abundant, provide valuable moose habitat. Moose concentrate in these areas throughout the year, with peak use occurring during winter. Brown bears are frequently associated with riparian habitats in the area, especially in the spring and fall. Alaska's tundra and foothills support numerous migratory bird species in this area. Dall sheep live on ridges, dry meadows, and steep mountain slopes. Residents of Anaktuvuk Pass are the most frequent users of fish and wildlife in the lease sale area; however, Barrow, Nuiqsut, and Kaktovik residents harvest species in the area.

**Municipalities and Communities:** Portions of the lease sale area lie within the boundaries of the North Slope Borough Coastal Management District. Oil and gas activities in this area of the state's coastal zone must be consistent with the Alaska Coastal Management Program. The North Slope Borough has adopted a comprehensive plan and land management regulations that may impose restrictions on oil and gas activity in the lease sale area.

## Municipalities & Communities

Community	Municipal Classification	Population (2009)
North Slope Borough	Home Rule Borough	6,828
Prudhoe Bay/Deadhorse	Unincorporated	3
Nuiqsut	2nd Class City	484
Anaktuvuk Pass	2nd Class City	287
Barrow	1st Class City	4,119
Kaktovik	2nd Class City	286

Source: [http://www.commerce.state.ak.us/dca/commdb/CF\\_BLOCK.htm](http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm)

# North Slope Foothills Areawide

-  Sale Area
-  State / ASRC Settlement Boundary
-  Alaska Seaward Boundary

Department of Natural Resources  
Division of Oil and Gas  
Director  
Kevin Banks

National Petroleum Reserve Alaska

Umiat

Arctic National Wildlife Preserve

Gates of the Arctic National Park and Preserve

Anaktuvuk Pass

Arctic Village

Wiseman

DAKOTON HWY

TRANS-ALASKA PIPELINE

Map Location

0 12.5 25 50 Miles

This map is for informational purposes only, and should not be used for any other purpose.

## Recent Areawide Oil and Gas Lease Sale Results

### 2009 Sale Results

Sale	Date	Acres Leased	High Bonus Bids	Status
Alaska Peninsula 2009	May 20, 2009	0	\$0	No bids received
Cook Inlet 2009	May 20, 2009	5,732.55	\$80,678.32	Final
Beaufort Sea 2009	-	-	-	Postponed
North Slope 2009	October 28, 2009	303,345.78	\$8,039,235.31	Final
North Slope Foothills 2009	October 28, 2009	5,760.00	30,067.20	Final
<b>Totals:</b>		<b>1314,838.33</b>	<b>8,149,980.83</b>	

### 2010 Sale Results\*

Sale	Date	Acres Leased	High Bonus Bids	Status
Beaufort Sea 2010	February 24, 2010	41,579.62	\$724,101.84	Final
Alaska Peninsula 2010	May 26, 2010	0	\$0	No bids received
Cook Inlet 2010*	May 26, 2010	138,880.00	\$2,421,996.80	Preliminary
Beaufort Sea 2010A*	October 27, 2009	69,760.00	\$702,822.40	Preliminary
North Slope 2010*	October 27, 2009	602,880.00	\$8,811,142.40	Preliminary
North Slope Foothills 2010	October 27, 2009	0	0	No bids received
<b>Totals:</b>		<b>853,099.62</b>	<b>\$12,660,063.44</b>	

\* Individual results of the 2010 lease sales are reported on the following pages. Final results will be posted on the division's Web site at [www.dog.dnr.state.ak.us/oil/](http://www.dog.dnr.state.ak.us/oil/) once leases have been issued.

Alaska Peninsula Areawide 2010  
North Slope Foothills Areawide 2010  
Competitive Oil and Gas Lease Sales

No Bids Received



# Beaufort Sea Areawide 2010 Competitive Oil and Gas Lease Sale

## Sale Results Summary

### Beaufort Sea Areawide 2010

Date of Sale: 2/24/2010  
Bidding Method: Cash Bonus Bid, Fixed Royalty

**Final Report**

7/23/2010

Total Tracts Sold: 18  
Total Acres Sold: 41,579.62  
Min Bid Per Acre: \$10.00  
\$10.00  
Royalty %: 12.50000%  
16.66667%

Highest Bid: \$208,870.40  
Tract Number: 411  
Submitted By: GMT Exploration Company, LLC

Total Number of Valid Bids: 18  
Total High Bonus Bids: \$724,101.84  
Total Exposed (Sum Of All Valid Bids): \$724,101.84  
Average High Bonus Bid Per Acre: \$17.41

Highest Bid/Acre: \$81.59  
Tract Number: 411  
Submitted By: GMT Exploration Company, LLC

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
SUN-WEST OIL & GAS, INC. 75.00000%; MICHAEL SHEARN 25.00000%	1	\$63,509.29	1	\$63,509.29
DANIEL K DONKEL 25.00000%; SAMUEL H CADE 75.00000%	7	\$172,421.27	7	\$172,421.27
GMT Exploration Company LLC 100.00000%	10	\$488,171.28	10	\$488,171.28

State of Alaska  
 Department of Natural Resources  
 Division of Oil and Gas

Beaufort Sea  
 Areawide 2010  
 Tract Map No. 1 of 3

**Sale Results**

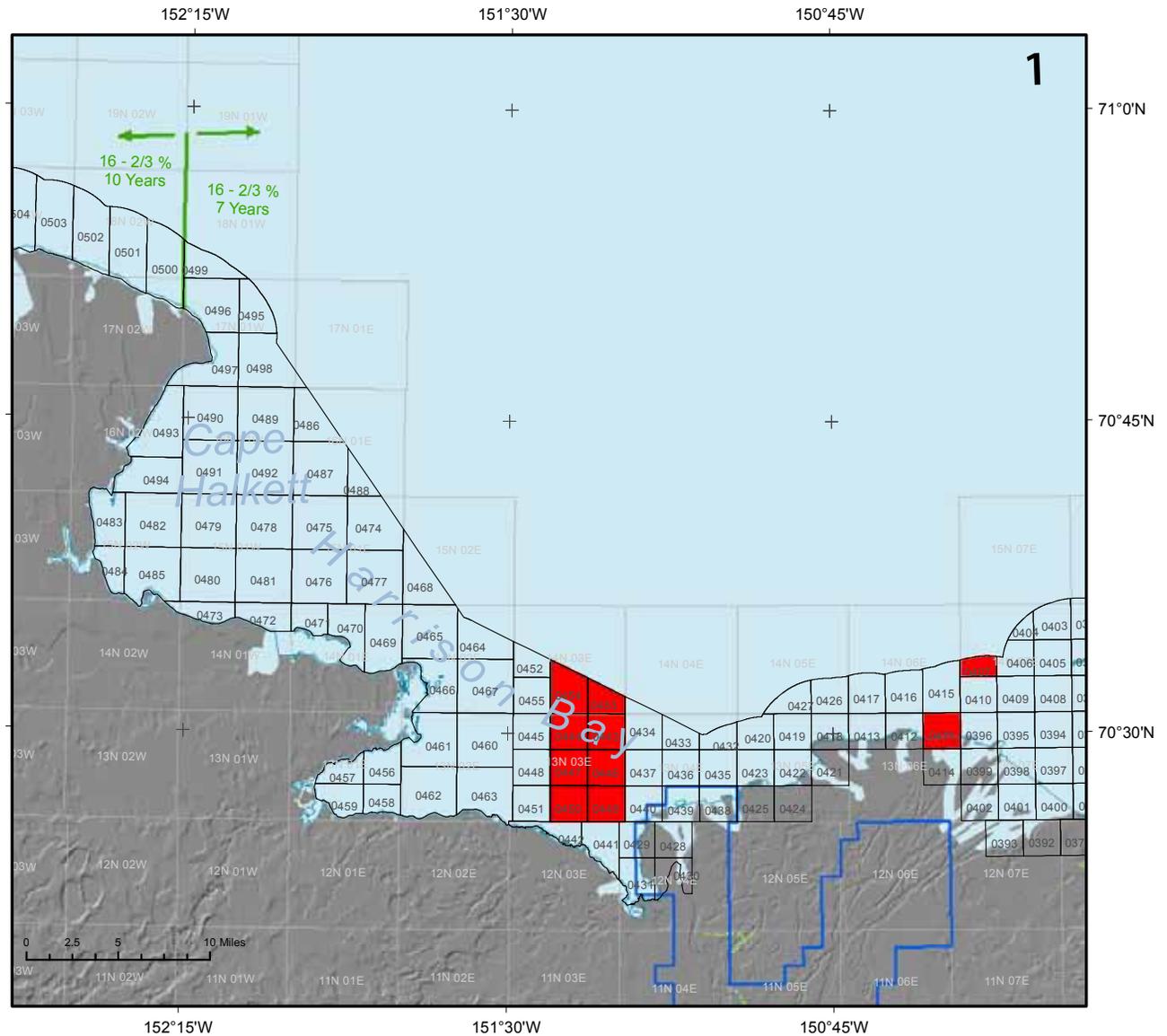
- Apparent High Bidder**
- GMT Exploration Company LLC
  - Samuel H. Cade, D. Donkel
  - Sun-West Oil & Gas, Inc.



Alaska Albers Equal Area Conic  
 False Easting: 0.000000  
 Central Meridian: -148.750000  
 Standard Parallel 2: 65.000000

GCS North American 1983  
 False Northing: 0.000000  
 Standard Parallel 1: 55.000000  
 Latitude of Origin: 50.000000

This is Not an Official Tract Map. For Informational Purposes Only.



- Sale Boundary
- State/ASRC Settlement Boundary
- Gravel Consideration Boundary
- Trans-Alaska Pipeline
- Sale Tracts
- Royalty Boundary
- Alaska Seaward Boundary
- Roads

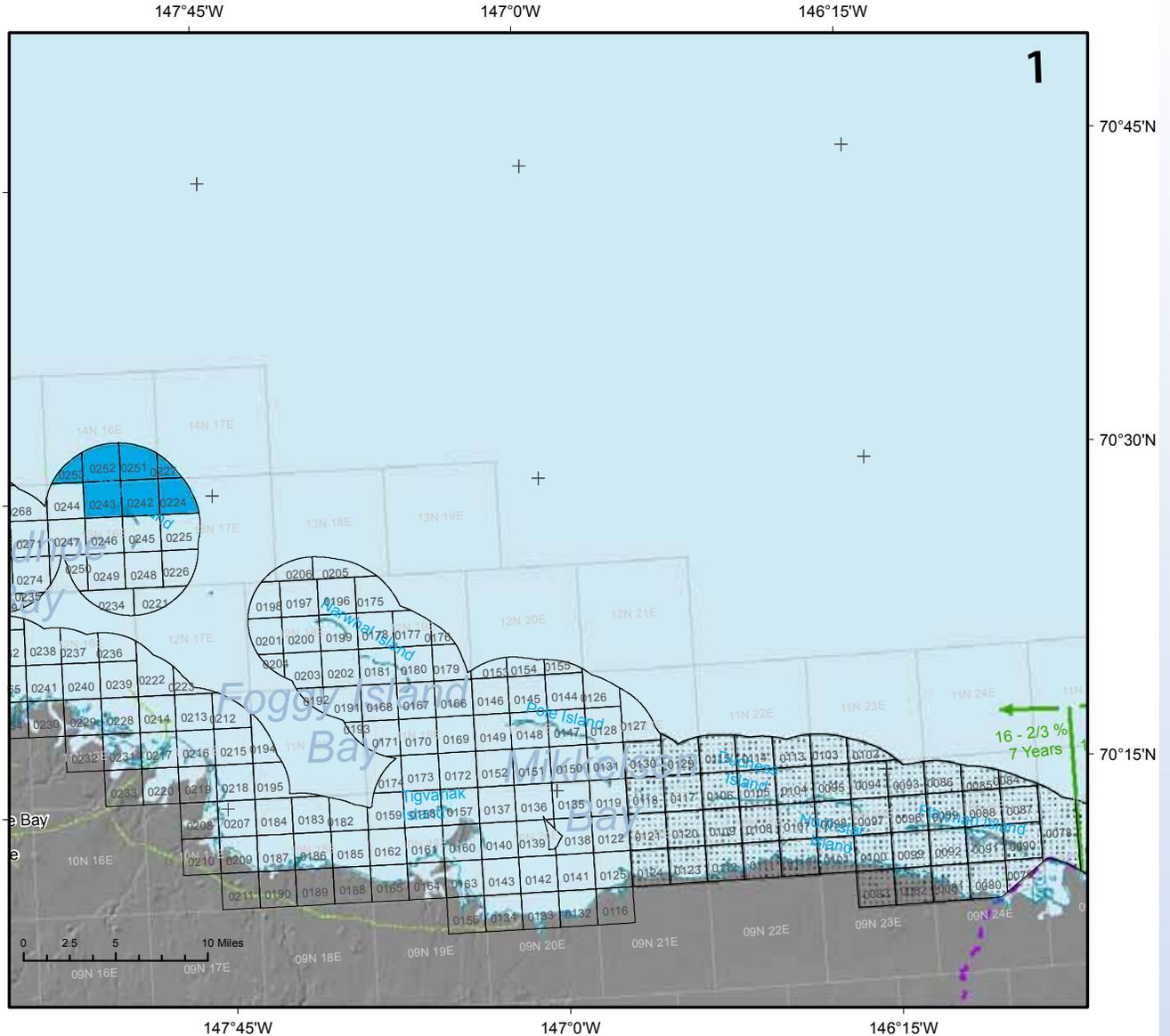
February 24, 2010

State of Alaska  
 Department of Natural Resources  
 Division of Oil and Gas

Beaufort Sea  
 Areawide 2010  
 Tract Map No. 2 of 3

**Sale Results**

- Apparent High Bidder**
- GMT Exploration Company LLC
  - Samuel H. Cade, D. Donkel
  - Sun-West Oil & Gas, Inc.



Alaska Albers Equal Area Conic  
 False Easting: 0.000000  
 Central Meridian: -148.750000  
 Standard Parallel 2: 65.000000

GCS North American 1983  
 False Northing: 0.000000  
 Standard Parallel 1: 55.000000  
 Latitude of Origin: 50.000000

This is Not an Official Tract Map. For Informational Purposes Only.

- Sale Boundary
- State/ASRC Settlement Boundary
- Gravel Consideration Boundary
- Trans-Alaska Pipeline
- Sale Tracts
- Royalty Boundary
- Alaska Seaward Boundary
- Roads

February 24, 2010

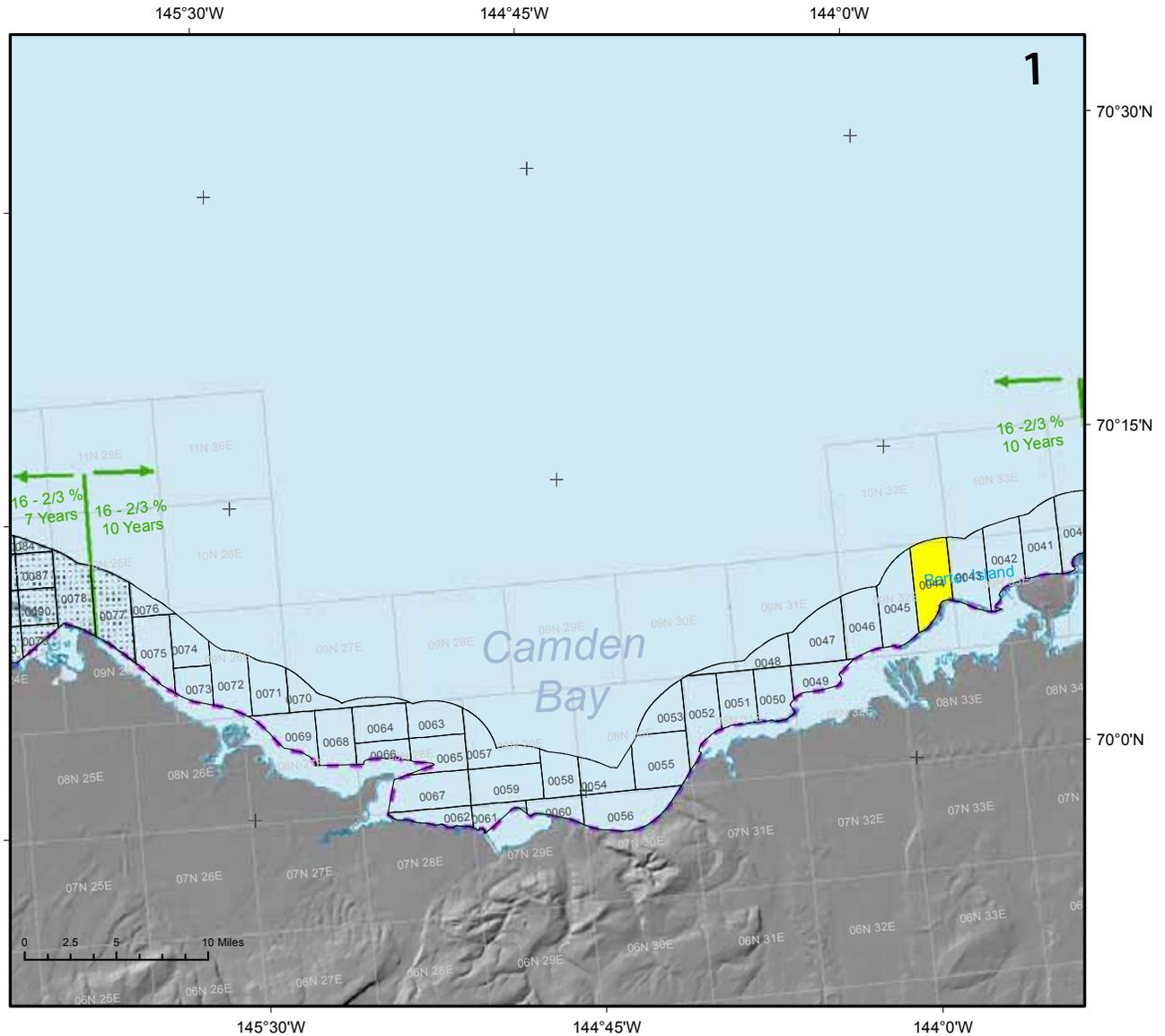
State of Alaska  
 Department of Natural Resources  
 Division of Oil and Gas

Beaufort Sea  
 Areawide 2010  
 Tract Map No. 3 of 3

**Sale Results**

**Apparent High Bidder**

- GMT Exploration Company LLC
- Samuel H. Cade, D. Donkel
- Sun-West Oil & Gas, Inc.



Alaska Albers Equal Area Conic  
 False Easting: 0.000000  
 Central Meridian: -148.750000  
 Standard Parallel 2: 65.000000

GCS North American 1983  
 False Northing: 0.000000  
 Standard Parallel 1: 55.000000  
 Latitude of Origin: 50.000000

This is Not an Official Tract Map. For Informational Purposes Only.

- Sale Boundary
- State/ASRC Settlement Boundary
- Gravel Consideration Boundary
- Trans-Alaska Pipeline
- Sale Tracts
- Royalty Boundary
- Alaska Seaward Boundary
- Roads

February 24, 2010



# Beaufort Sea Areawide 2010A

## Competitive Oil and Gas Lease Sale

### Sale Results Summary

Beaufort Sea Areawide 2010A

Date of Sale: 10/27/2010  
 Bidding Method: Cash Bonus Bid, Fixed Royalty

**Preliminary Report**  
 10/28/2010

Total Tracts Sold: 21  
 Total Acres Sold: 69,760.00  
 Min Bid Per Acre: \$10.00  
 Royalty %: 12.50000%

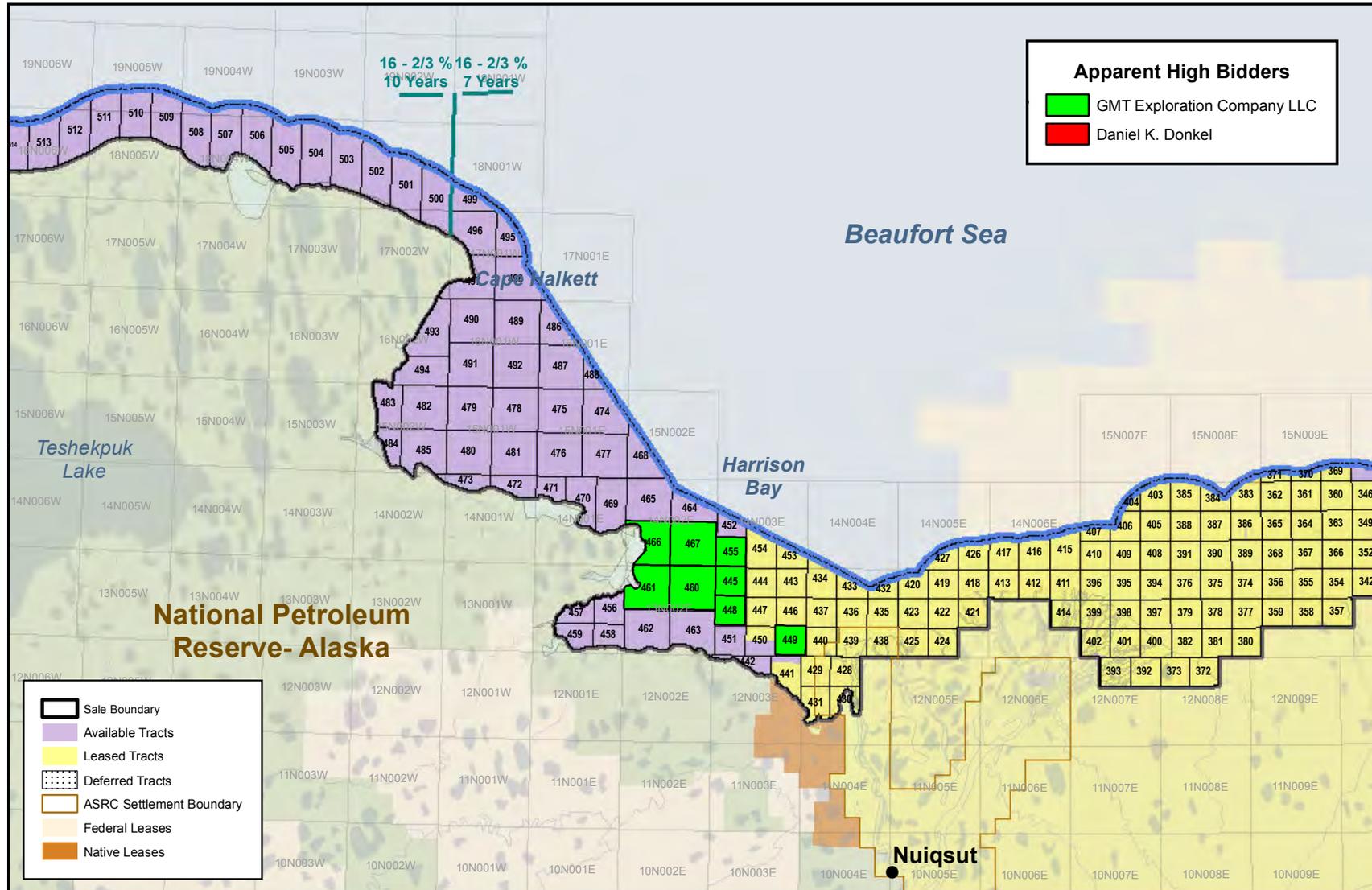
Highest Bid: \$58,579.20  
 Tract Number: 460  
 Submitted By: GMT Exploration Company, LLC

Total Number of Valid Bids: 21  
 Total High Bonus Bids: \$702,822.40  
 Total Exposed (Sum Of All Valid Bids): \$702,822.40  
 Average High Bonus Bid Per Acre: \$10.07

Highest Bid/Acre: \$10.17  
 Tract Number: 445  
 Submitted By: GMT Exploration Company, LLC

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
DANIEL K DONKEL 100.00000%	13	\$390,400.00	13	\$390,400.00
GMT Exploration Company LLC 100.00000%	8	\$312,422.40	8	\$312,422.40

Preliminary Sale Results  
October 28, 2010



**Apparent High Bidders**

- GMT Exploration Company LLC
- Daniel K. Donkel

- Sale Boundary
- Available Tracts
- Leased Tracts
- Deferred Tracts
- ASRC Settlement Boundary
- Federal Leases
- Native Leases

16 - 2/3 % 16 - 2/3 %  
10 Years 7 Years

Beaufort Sea

Cape Halkett

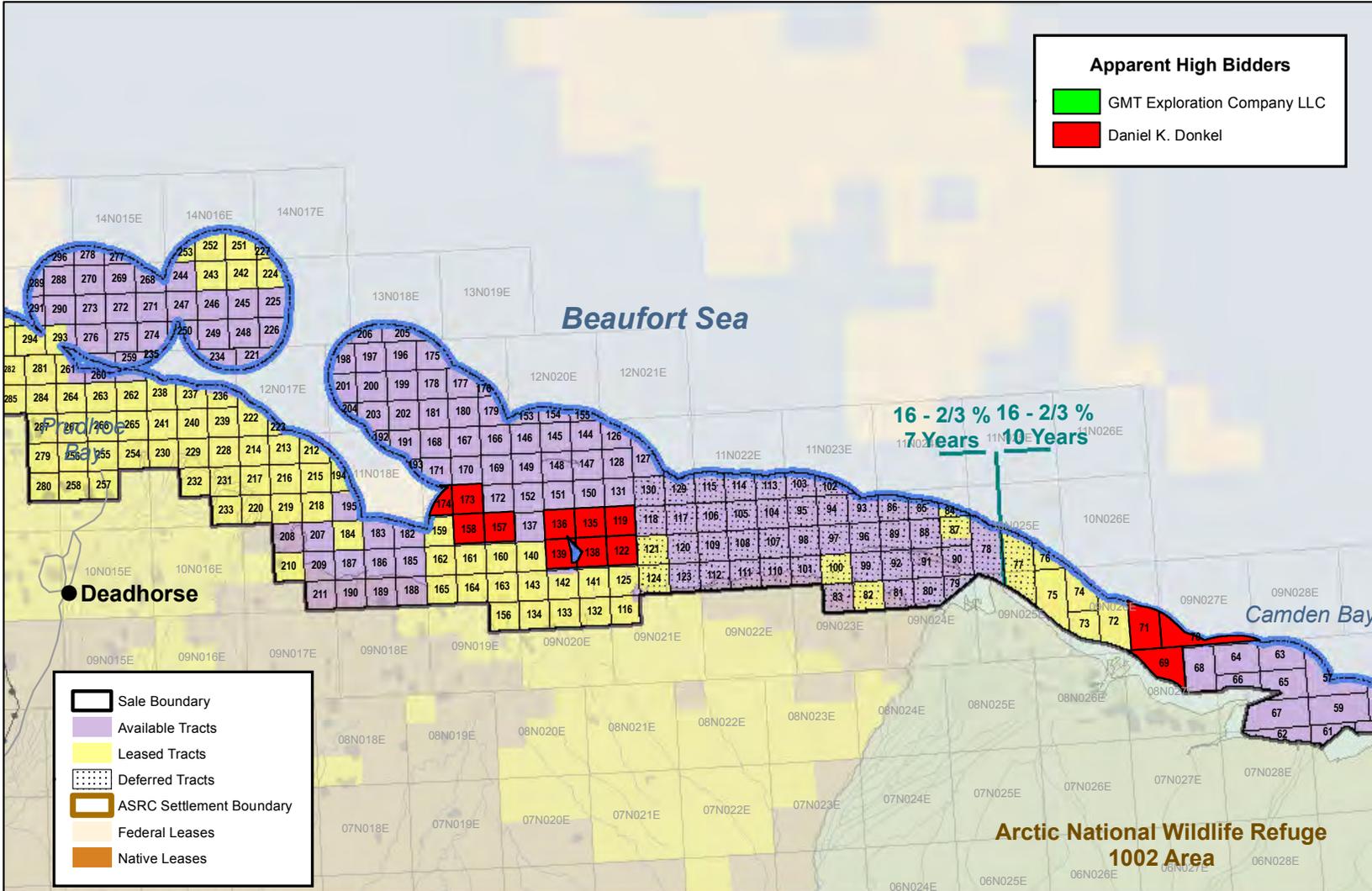
Teshkepuk Lake

Harrison Bay

National Petroleum Reserve-Alaska

Nuiqsut

Preliminary Sale Results  
 October 28, 2010



# Cook Inlet Areawide 2010 Competitive Oil and Gas Lease Sale

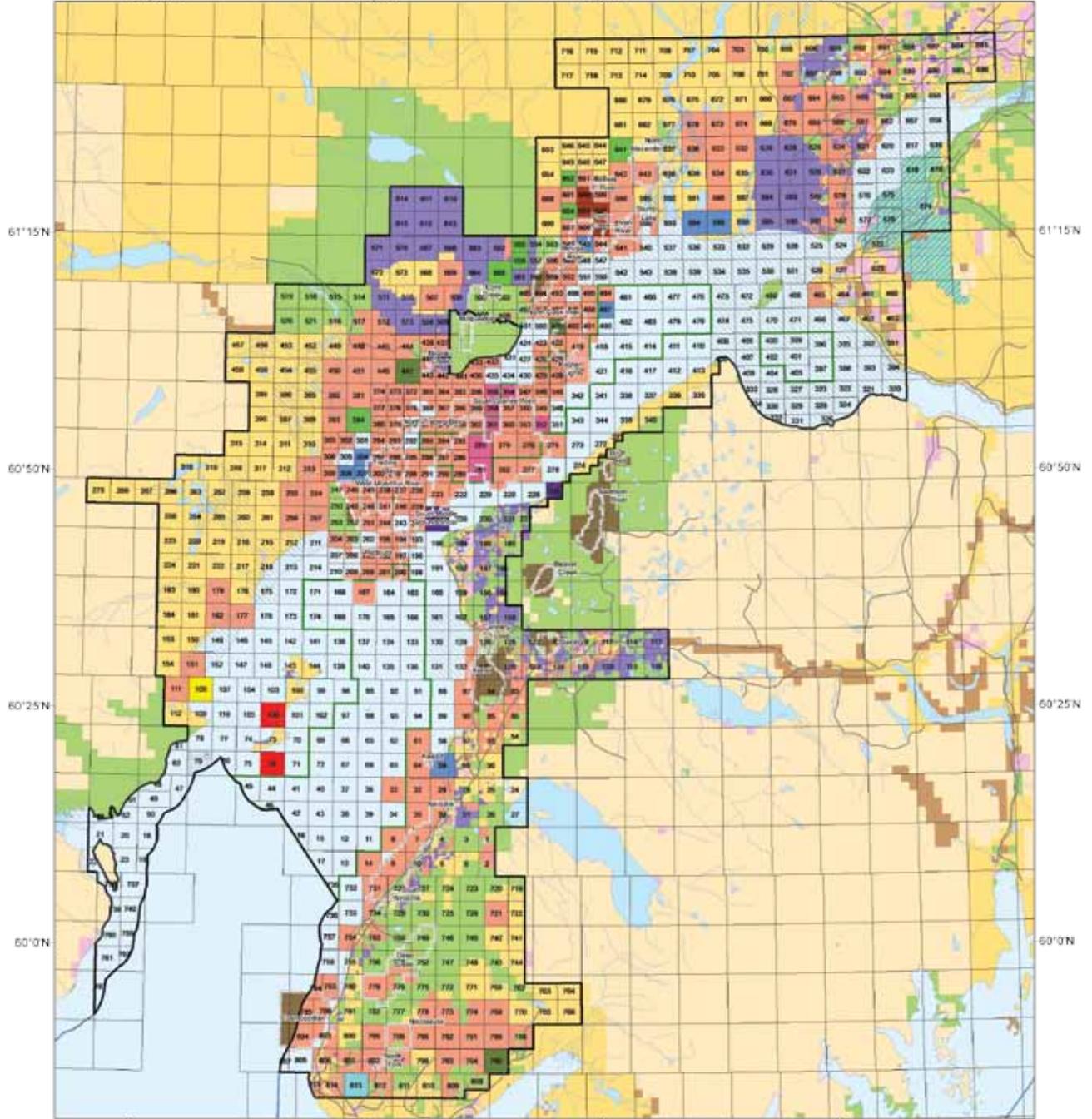


## Sale Results Summary Cook Inlet Areawide 2010

Date of Sale:	5/26/2010	<b>Preliminary Report</b>
Bidding Method	Cash Bonus Bid, Fixed Royalty	5/26/2010
Total Tracts Sold:	35	Highest Bid: \$311,040.00 Tract Number: 641 Submitted By: Cook Inlet Energy, LLC
Total Acres Sold:	138,880.00	
Min Bid Per Acre:	\$10.00	
Royalty %:	12.50000%	
Total Number of Valid Bids:	37	Highest Bid/Acre: \$62.00 Tract Number: 555 Submitted By: Cook Inlet Energy, LLC
Total High Bonus Bids:	\$2,421,996.80	
Total Exposed (Sum Of All Valid Bids):	\$2,532,358.40	
Average High Bonus Bid Per Acre:	\$17.19	

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
DANIEL K DONKEL 25.00000%; SAMUEL H CADE 75.00000%	9	\$478,201.60	8	\$397,843.20
MONTE J ALLEN 100.00000%	2	\$117,504.00	2	\$117,504.00
SAMUEL H CADE 50.00000%; ROBERT J NEWMAN 25.00000%; DANIEL K DONKEL 16.66667%; H JERRY JODGDEN 8.33333%	1	\$59,040.00	1	\$59,040.00
NORDAQ ENERGY INC 100.00000%	2	\$145,920.00	2	\$145,920.00
ESCOPETA OIL CO LLC 100.00000%	7	\$267,404.80	7	\$267,404.80
COOK INLET ENERGY, LLC 100.00000%	7	\$908,800.00	7	\$908,800.00
BUCCANEER ALASKA, LLC 100.00000%	3	\$267,763.20	3	\$267,763.20
PAUL L CRAIG 100.00000%	5	\$229,376.00	4	\$199,372.80
ARMSTRONG COOK INLET, LLC 100.00000%	1	\$58,348.80	1	\$58,348.80

# Oil and Gas Lease Sale Cook Inlet Areawide 2010



- Apparent High Bidders**
- Monte J. Allen
  - Armstrong Cook Inlet, LLC
  - Buckner Alaska, LLC
  - Samuel H. Cate, Robert J. Newman, Daniel K. Donoh, Jr., Jerry Hodgson
  - Cook Inlet Energy, LLC
  - Paul L. Craig
  - Daniel K. Donoh, Samuel H. Cate
  - Flanagan Oil Co LLC
  - Tansha Energy Inc.



State of Alaska  
 Department of Natural Resources  
**Division of Oil and Gas**

Scale 0 5 10 15 20 Miles

- Sale Boundary
- 6001 Sale Tracts
- State Acreage Available for Lease
- State Acreage Currently Leased
- State Acreage Deferred from Sale
- Federal Lands
- Native Lands
- Military Health & University Lands
- Military Lands
- Private Lands
- Seven-Year Term Leases
- No Surface Entry
- State Oil and Gas Habitat
- State Multiple Use Areas
- Alaska Seaward Boundary

**Bidders are solely responsible for determining the availability of State acreage prior to submitting a bid. See <http://dnr.state.ak.us/ole>**

**Preliminary Sale Results  
 May 26, 2010**

<http://www.dog.dnr.state.ak.us/ole/>

# North Slope Areawide 2010 Competitive Oil and Gas Lease Sale



## Sale Results Summary

Date of Sale: 10/27/2010  
Bidding Method: Cash Bonus Bid, Fixed Royalty

### Preliminary Report

10/28/2010

Total Tracts Sold: 129  
Total Acres Sold: 602,880.00  
Min Bid Per Acre: \$10.00  
\$10.00  
Royalty %: 12.50000%  
16.66667%

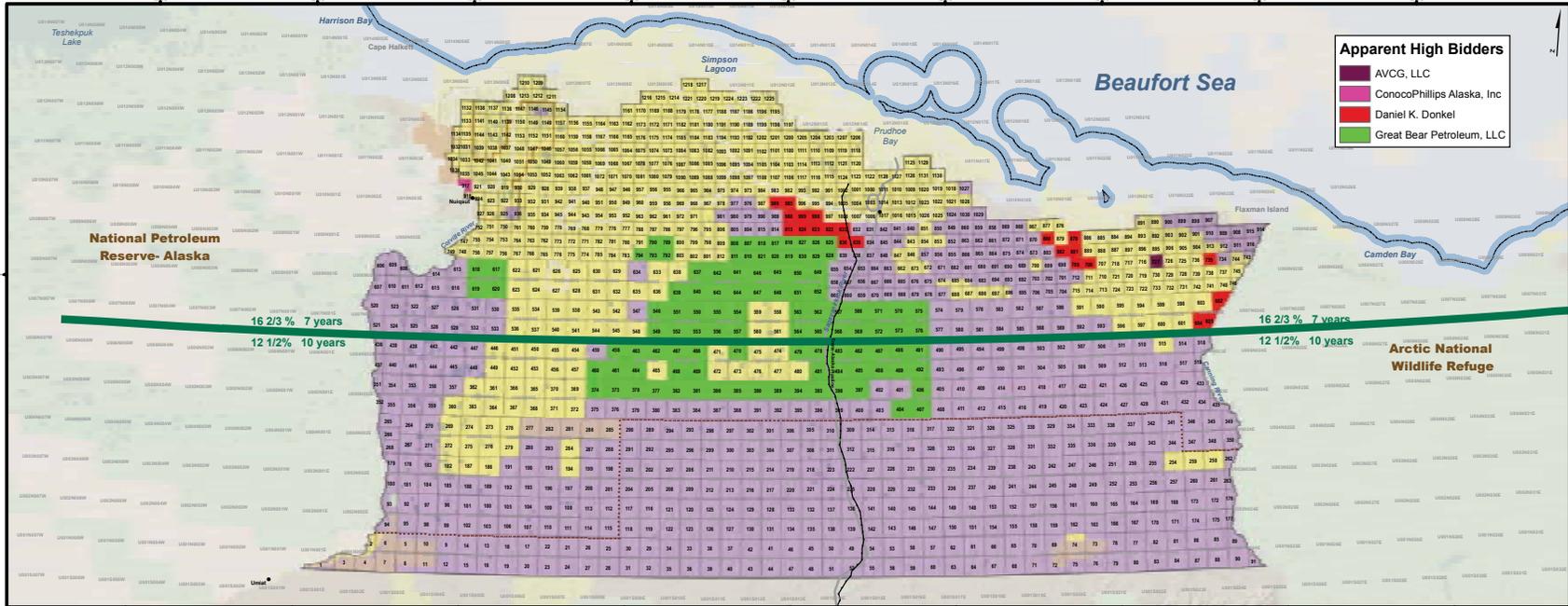
Highest Bid: \$131,155.20  
Tract Number: 458  
Submitted By: Great Bear Petroleum, LLC

Total Number of Valid Bids: 135  
Total High Bonus Bids: \$8,811,142.40  
Total Exposed (Sum Of All Valid Bids): \$9,060,742.40  
Average High Bonus Bid Per Acre: \$14.62

Highest Bid/Acre: \$22.77  
Tract Number: 458  
Submitted By: Great Bear Petroleum, LLC

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
Great Bear Petroleum LLC 100.00000%	105	\$8,138,112.00	105	\$8,138,112.00
DANIEL K DONKEL 100.00000%	28	\$857,600.00	22	\$608,000.00
AVCG, LLC 100.00000%	1	\$28,800.00	1	\$28,800.00
CONOCOPHILLIPS ALASKA, INC. 100.00000%	1	\$36,230.40	1	\$36,230.40

# Oil and Gas Lease Sale North Slope Areawide 2010



**Apparent High Bidders**

- AVCG, LLC
- ConocoPhillips Alaska, Inc
- Daniel K. Donkel
- Great Bear Petroleum, LLC

This map was created, edited, and published by the State of Alaska, Department of Natural Resources, Division of Oil and Gas, and is for informational purposes only.

The state of Alaska makes no representation or implied warranties (including warranties of merchantability and fitness with respect to the character, function, or capability of the product or its appropriateness for any use) in connection with the sale of Alaska oil and gas leases. The state of Alaska is not liable for any economic, financial, or other damages suffered by the user of any other product or service, whether from use of the product, any failure thereof or otherwise, and is not liable for the State of Alaska's liability to any person who entered the lease for the product.

\*Bidders are solely responsible for determining the availability of acreage prior to submitting a bid.

## Preliminary Sale Results Apparent High Bidders October 28, 2010

**DATA SOURCES**

- Available Tracts
- Leased Tracts
- Federal Land
- Native Land
- Deferred Tracts
- Units
- ASRC Settlement Boundary
- Alaska Seaward Boundary
- Gravel Consideration Boundary
- Royalty Boundary

Base map data, including hydrographic data, village and town locations, state and federal boundaries, etc. are from the State of Alaska Geographic Information System. Oil and gas wells are from the Alaska Division of Oil and Gas databases as compiled from the Alaska Oil and Gas Conservation Commission database. Land status is derived from the Federal Division of Land Management's general and status database.

Information on this map is provided only as a courtesy or section level resolution. For detailed information regarding any specific area, interested individuals may consult the full records of one or more of the following agencies:

The State of Alaska, Dept of Natural Resources  
The Federal Bureau of Land Management  
The Federal Division of Land Management  
Alaska State Regional Corporation

Discrepancies in boundary alignments are the result of merging multiple data sets from a number of different sources.



## Summary of State Competitive Lease Sales 1959-2010

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Sale Date	Sale	Sale Area	Acres Offered	Acres Leased	Percent Leased	Average \$/Acre	Tracts Offered	Tracts Leased	Bonus Received	Bid Variable	Fixed Terms
12/10/1959	1	Cook Inlet	88,055	77,191	87.66%	\$52.08	37	31	\$4,020,342	Bonus; No Min	12.5% Royalty
7/13/1960	2	Cook Inlet	17,568	16,506	93.96%	\$24.70	27	26	\$407,655	Bonus; No Min	12.5% Royalty
12/7/1960	3	Mixed	73,048	22,867	31.30%	\$1.54	26	9	\$35,325	Bonus; No Min	12.5% Royalty
1/25/1961	4	Cook Inlet	400	400	100.00%	\$679.04	3	3	\$271,614	Bonus; No Min	12.5% Royalty
5/23/1961	5	Mixed	97,876	95,980	98.06%	\$74.71	102	99	\$7,170,465	Bonus; No Min	12.5% Royalty
8/4/1961	6	Gulf Ak	13,257	13,257	100.00%	\$8.35	6	6	\$110,672	Bonus; No Min	12.5% Royalty
12/19/1961	7	Mixed	255,708	187,118	73.18%	\$79.43	68	53	\$14,863,049	Bonus; No Min	12.5% Royalty
4/24/1962	8	Cook Inlet	1,062	1,062	100.00%	\$4.80	8	8	\$5,097	Bonus; No Min	12.5% Royalty
7/11/1962	9	Mixed	315,669	264,437	83.77%	\$59.42	89	76	\$15,714,113	Bonus; No Min	12.5% Royalty
5/8/1963	10	Cook Inlet	167,583	141,491	84.43%	\$29.23	200	158	\$4,136,225	Bonus; No Min	12.5% Royalty
12/11/1963	12	Cook Inlet	346,782	247,089	71.25%	\$12.31	308	207	\$3,042,681	Bonus; No Min	12.5% Royalty
12/9/1964	13	Mixed	1,194,373	721,224	60.39%	\$7.68	610	341	\$5,537,100	Bonus; No Min	12.5% Royalty
7/14/1965	14	North Slope	754,033	403,000	53.45%	\$15.25	297	159	\$6,145,473	Bonus; \$1/acre Min	12.5% Royalty
9/28/1965	15	Cook Inlet	403,042	301,751	74.87%	\$15.49	293	216	\$4,674,344	Bonus; \$1/acre Min	12.5% Royalty
7/19/1966	16	Mixed	184,410	133,987	72.66%	\$52.55	205	153	\$7,040,880	Bonus; \$1/acre Min	12.5% Royalty
11/22/1966	17	Cook Inlet	19,230	18,590	96.67%	\$7.33	36	35	\$136,280	Bonus; \$1/acre Min	12.5% Royalty
1/24/1967	18	Mixed	47,729	43,657	91.47%	\$33.90	23	20	\$1,479,906	Bonus; \$1/acre Min	12.5% Royalty
3/28/1967	19	Kachemak Bay	2,560								
							RULED INVALID 12/9/74				
7/25/1967	20	Cook Inlet	311,250	256,447	82.39%	\$73.14	295	220	\$18,757,341	Bonus; \$1/acre Min	12.5% Royalty
3/26/1968	21	AK Peninsula	346,623	164,961	47.59%	\$18.24	308	147	\$3,009,224	Bonus; \$1/acre Min	12.5% Royalty
10/29/1968	22	Cook Inlet	111,199	60,272	54.20%	\$17.29	230	125	\$1,042,220	Bonus; No Min	12.5% Royalty
9/10/1969	23	North Slope	450,858	412,548	91.50%	\$2,181.66	179	164	\$900,041,605	Bonus; No Min	12.5% Royalty
5/12/1971	24	Cook Inlet	196,635	92,618	47.10%	\$4.92	244	106	\$455,641	Bonus; No Min	12.5% Royalty
9/26/1972	25	Cook Inlet	325,401	178,245	54.78%	\$7.43	259	152	\$1,324,673	Bonus; No Min	12.5% Royalty
12/11/1972	26	Cook Inlet	399,921	177,973	44.50%	\$8.75	218	105	\$1,557,849	Bonus; No Min	12.5% Royalty
5/9/1973	27	Cook Inlet	308,401	113,892	36.93%	\$9.92	210	96	\$1,130,325	Bonus; No Min	12.5% Royalty
12/13/1973	28	Cook Inlet	166,648	97,804	58.69%	\$253.77	98	62	\$24,819,190	Bonus; No Min	16.67% Royalty
10/23/1974	29	Cook Inlet	278,269	127,120	45.68%	\$8.19	164	82	\$1,040,910	Bonus; No Min	16.67% Royalty
7/24/1979	29B	Copper River	34,678	34,678	100.00%	\$4.56	20	20	\$158,042	Bonus; No Min	20% Royalty
12/12/1979	30	Beaufort Sea	341,140	296,308	86.86%	\$1,914.87	71	62	\$567,391,497	Net Profit Share (NPS)	20% Royalty; \$850 & \$1750/acre
9/16/1980	31	North Slope	196,268	196,268	100.00%	\$63.12	78	78	\$12,387,470	Bonus; No Min	20% Royalty; 30% NPS
5/13/1981	33	Cook Inlet	815,000	429,978	52.76%	\$10.00	202	103	\$4,299,782	Royalty; 20% Min	\$10/acre Bonus
8/25/1981	32	Cook Inlet	202,837	152,428	75.15%	\$10.00	78	59	\$1,524,282	Royalty; 20% Min	\$10/acre Bonus
2/2/1982	35	Cook Inlet	601,172	131,191	21.82%	\$10.00	149	31	\$1,311,907	Royalty; 12.5% Min	\$10/acre Bonus
5/26/1982	36*	Beaufort Sea	56,862	56,862	100.00%	\$573.02	13	13	\$32,583,452	Bonus; No Min	12.5% Royalty & 40% NPS
8/24/1982	37*	Copper River	852,603	168,849	19.80%	\$3.33	217	33	\$562,944	Bonus; No Min	12.5% Royalty & 30% NPS
8/24/1982	37A	Cook Inlet	1,875	1,875	100.00%	\$52.00	1	1	\$97,479	Bonus; No Min	43% Royalty
9/28/1982	34*	North Slope	1,231,517	571,954	46.44%	\$46.70	261	119	\$26,713,018	Bonus; No Min	Royalty:16.67%-40%NPS; 12.5%-30%NPS
5/17/1983	39*	Beaufort Sea	211,988	211,988	100.00%	\$99.05	42	42	\$20,998,101	Bonus; \$10/acre Min	12.5% Royalty & 30% or 40% NPS
9/28/1983	40	Cook Inlet	1,044,745	443,355	42.44%	\$7.17	284	140	\$3,177,178	Bonus; \$1/acre Min	12.5% Royalty
5/22/1984	43	Beaufort Sea	298,074	281,784	94.53%	\$114.32	69	66	\$32,214,794	Bonus; \$10/acre Min	16.67% Royalty
5/22/1984	43A*	North Slope	76,079	76,079	100.00%	\$125.44	15	15	\$1,612,583	Bonus; \$10/acre Min	12.5% Royalty & 30% NPS
9/18/1984	41	Bristol Bay	1,437,930	278,939	19.40%	\$3.03	308	63	\$843,965	Bonus; No Min	12.5% Royalty
2/26/1985	46A	Cook Inlet	248,585	190,042	76.45%	\$13.28	65	50	\$2,523,334	Bonus; \$1/acre Min	12.5% & 16.67% Royalty

## Summary of State Competitive Lease Sales 1959-2010

Sale Date	Sale	Sale Area	Acres Offered	Acres Leased	Percent Leased	Average \$/Acre	Tracts Offered	Tracts Leased	Bonus Received	Bid Variable	Fixed Terms
9/24/1985	45A	North Slope	606,385	164,885	27.19%	\$28.25	113	32	\$4,657,478	Bonus; \$5/acre Min	16.67% Royalty
9/24/1985	47	North Slope	192,569	182,560	94.80%	\$63.79	50	48	\$11,645,003	Bonus; \$5/acre Min	12.5% Royalty
2/25/1986	48	North Slope	526,101	266,736	50.70%	\$9.16	104	54	\$2,444,342	Bonus; \$5/acre Min	12.5% Royalty
2/25/1986	48A	Beaufort Sea	42,053	42,053	100.00%	\$12.13	11	11	\$510,255	Bonus; \$5/acre Min	12.5% Royalty
6/24/1986	49	Cook Inlet	1,189,100	394,881	33.21%	\$2.40	260	98	\$947,171	Bonus; \$1/acre Min	12.5% & 16.67% Royalty
1/27/1987	51	North Slope	592,142	100,632	16.99%	\$2.88	119	26	\$289,625	Bonus; \$2/acre Min	12.5% Royalty
6/30/1987	50	Beaufort Sea	118,147	118,147	100.00%	\$56.05	35	35	\$6,621,723	Bonus; \$5/acre Min	16.67% Royalty
1/26/1988	54*	North Slope	421,809	338,687	80.29%	\$13.83	89	72	\$4,683,388	Bonus; \$5/acre Min	12.5% Royalty
9/28/1988	55	Beaufort Sea	201,707	96,632	47.91%	\$152.13	56	25	\$14,700,602	Bonus; \$10&\$25/ac Min	12.5% & 16.67% Royalty
9/28/1988	69A	North Slope	775,555	368,490	47.51%	\$16.61	155	75	\$6,119,135	Bonus; \$5/acre Min	12.5% Royalty
1/24/1989	52	Beaufort Sea	175,981	52,463	29.81%	\$33.12	43	15	\$1,737,513	Bonus; \$10/acre Min	12.5% Royalty
1/24/1989	72A	North Slope	677	677	100.00%	\$671.90	1	1	\$454,977	Bonus; \$10/acre Min	12.5% Royalty
1/29/1991	67A*	Cook Inlet	549,364	191,588	34.87%	\$28.77	140	55	\$5,511,338	Bonus; \$5/acre Min	12.5% Royalty
1/29/1991	70A*	North Slope	532,153	420,568	79.03%	\$65.88	135	109	\$27,707,541	Bonus; \$5/acre Min	12.5% Royalty
6/4/1991	64	North Slope	754,542	34,143	4.52%	\$7.10	141	6	\$242,389	Bonus; \$5/acre Min	12.5% Royalty
6/4/1991	65*	Beaufort Sea	491,091	172,865	35.20%	\$40.46	108	36	\$6,993,949	Bonus; \$5/acre Min	16.67% Royalty
9/24/1991	74A*	Cook Inlet	605,851	26,605	4.39%	\$12.06	134	5	\$320,853	Bonus; \$5/acre Min	12.5% Royalty
1/22/1992	61	North Slope	991,087	260,550	26.29%	\$9.32	181	46	\$2,429,551	Bonus; \$5/acre Min	12.5% Royalty
6/2/1992	68	Beaufort Sea	153,445	0	0.00%	\$0.00	36	0	\$0	Bonus; \$10/acre Min	12.5% Royalty
12/8/1992	75	North Slope	217,205	124,832	57.47%	\$78.11	90	55	\$9,750,111	Bonus; \$10/acre Min	Royalty: State =12.5% & ASRC =16.67%
1/26/1993	76	Cook Inlet	393,025	141,504	36.00%	\$461.25	86	36	\$65,269,167	Bonus; \$5/acre Min	12.5% Royalty
1/26/1993	67 A-W	Cook Inlet	282,577	129,810	45.94%	\$18.75	69	33	\$2,433,864	Bonus; \$5/acre Min	12.5% Royalty
5/25/1993	77	North Slope	1,260,146	45,727	3.63%	\$25.47	228	8	\$1,164,555	Bonus; \$5/acre Min	12.5% Royalty
5/25/1993	70 A-W	North Slope	37,655	28,055	74.51%	\$48.41	11	8	\$1,358,027	Bonus; \$10/acre Min	12.5% Royalty
9/21/1993	57	North Slope	1,033,248	0	0.00%	\$0.00	196	0	\$0	Bonus; \$5/acre Min	12.5% Royalty
9/21/1993	75A	North Slope	14,343	14,343	100.00%	\$31.36	11	11	\$449,847	Bonus; \$10/acre Min	16.67% Royalty
10/30/1994	78	Cook Inlet	396,760	136,307	34.36%	\$12.14	90	34	\$1,654,137	Bonus; \$5/acre Min	12.5% Royalty
11/14/1995	67A-W2	Cook Inlet	152,768	13,804	9.04%	\$7.29	36	3	\$100,638	Bonus; \$5/acre Min	12.5% Royalty
11/14/1995	74W	Cook Inlet	66,703	17,015	25.51%	\$31.76	16	4	\$540,406	Bonus; \$5/acre Min	12.5% Royalty
11/14/1995	76W	Cook Inlet	251,614	14,220	5.65%	\$5.61	50	4	\$79,722	Bonus; \$5/acre Min	12.5% Royalty
11/14/1995	78W	Cook Inlet	260,453	36,478	14.01%	\$7.06	56	11	\$257,583	Bonus; \$5/acre Min	12.5% Royalty
12/5/1995	80	North Slope	951,302	151,567	15.93%	\$22.02	202	42	\$3,337,485	Bonus; \$10/acre Min	12.5% Royalty
10/1/1996	86A**	North Slope	15,484	5,901	38.11%	\$343.40	13	5	\$2,026,247	Bonus; \$100/acre Min	16.67%&16.67-33.33% Sliding Scale Rylty
12/18/1996	85A	Cook Inlet	1,061,555	173,503	16.33%	\$17.92	234	44	\$3,109,603	Bonus; \$5/acre Min	12.5% Royalty
11/18/1997	86	Beaufort Sea	365,054	323,835	88.70%	\$86.42	181	162	\$27,985,125	Bonus; \$10/acre Min	16.67% Royalty
2/24/1998	85A-W	Cook Inlet	757,878	98,011	12.90%	\$8.46	157	24	\$828,807	Bonus; \$5/acre Min	12.5% Royalty
6/24/1998	87	North Slope	Areawide	518,689	N/A	\$99.86	N/A	137	\$51,794,173	Bonus; \$5/acre Min	12.5% Royalty
2/24/1999	NS 1999	North Slope	Areawide	174,923	N/A	\$14.85	N/A	40	\$2,596,838	Bonus; \$5/acre Min	12.5% Royalty
4/21/1999	CI 1999	Cook Inlet	Areawide	114,514	N/A	\$10.75	N/A	41	\$1,436,685	Bonus; \$5/acre Min	12.5% Royalty
8/16/2000	CI 2000	Cook Inlet	Areawide	100,480	N/A	\$9.15	N/A	27	\$919,750	Bonus; \$5/acre Min	12.5% Royalty
11/15/2000	BS 2000	Beaufort Sea	Areawide	25,840	N/A	\$13.13	N/A	11	\$338,922	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
11/15/2000	NS 2000	North Slope	Areawide	652,355	N/A	\$15.41	N/A	145	\$10,052,665	Bonus; \$5/acre Min	12.5% & 16.67% Royalty
5/9/2001	CI 2001	Cook Inlet	Areawide	102,523	N/A	\$9.05	N/A	29	\$928,085	Bonus; \$5/acre Min	12.5% Royalty
5/9/2001	NSF 2001	NS Foothills	Areawide	858,811	N/A	\$11.41	N/A	170	\$9,799,277	Bonus; \$5/acre Min	12.5% Royalty

## Summary of State Competitive Lease Sales 1959-2010

Sale Date	Sale	Sale Area	Acres Offered	Acres Leased	Percent Leased	Average \$/Acre	Tracts Offered	Tracts Leased	Bonus Received	Bid Variable	Fixed Terms
10/24/2001	BS 2001	Beaufort Sea	Areawide	36,331	N/A	\$94.90	N/A	24	\$3,447,734	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
10/24/2001	NS 2001	North Slope	Areawide	434,938	N/A	\$15.89	N/A	146	\$6,911,572	Bonus; \$5/acre Min	12.5% & 16.67% Royalty
5/1/2002	CI 2002	Cook Inlet	Areawide	64,923	N/A	\$7.05	N/A	21	\$421,841	Bonus; \$5/acre Min	12.5% Royalty
5/1/2002	NSF 2002‡	NS Foothills	Areawide	213,374	N/A	\$14.32	N/A	51	\$2,889,532	Bonus; \$5/acre Min	12.5% Royalty
10/24/2002	BS 2002	Beaufort Sea	Areawide	19,226	N/A	\$26.34	N/A	15	\$506,405	Bonus; \$10&\$100/ac Min	12.5%, 16.67% & 20% Royalty
10/24/2002	NS 2002	North Slope	Areawide	32,315	N/A	\$17.94	N/A	12	\$579,728	Bonus; \$10/acre Min	12.5%, 16.67% & 16.67-33.33% Sliding Scale Ryty
5/7/2003	CI 2003	Cook Inlet	Areawide	73,869	N/A	\$9.34	N/A	27	\$689,949	Bonus; \$5/acre Min	12.5% Royalty
5/7/2003	NSF 2003	NS Foothills	Areawide	5,760	N/A	\$6.35	N/A	1	\$36,576	Bonus; \$5/acre Min	12.5% Royalty
10/29/2003	BS 2003	Beaufort Sea	Areawide	36,995	N/A	\$36.71	N/A	20	\$1,358,187	Bonus; \$5 & \$10/ac Min	12.5% & 16.67% Royalty
10/29/2003	NS 2003**	North Slope	Areawide	210,006	N/A	\$17.08	N/A	75	\$3,586,400	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
5/19/2004	CI 2004*	Cook Inlet	Areawide	227,475	N/A	\$7.33	N/A	72	\$1,667,967	Bonus; \$5/acre Min	12.5% Royalty
5/19/2004	NSF 2004	NS Foothills	Areawide	19,796	N/A	\$5.37	N/A	5	\$106,305	Bonus; \$5/acre Min	12.5% Royalty
10/27/2004	BS 2004	Beaufort Sea	Areawide	113,570	N/A	\$36.90	N/A	28	\$4,190,782	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
10/27/2004	NS 2004**	North Slope	Areawide	197,916	N/A	\$38.40	N/A	57	\$7,599,193	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
5/18/2005	CI 2005*	Cook Inlet	Areawide	174,661	N/A	\$5.98	N/A	55	\$1,044,661	Bonus; \$5/acre Min	12.5% Royalty
5/18/2005	NSF 2005	NS Foothills	Areawide	55,505	N/A	\$5.76	N/A	12	\$319,959	Bonus; \$5/acre Min	12.5% Royalty
10/26/2005	AK PEN 2005	Alaska Peninsula	Areawide	190,494	N/A	\$6.03	N/A	37	\$1,149,253	Bonus; \$5/acre Min	12.5% Royalty
3/1/2006	BS 2006	Beaufort Sea	Areawide	204,260	N/A	\$37.62	N/A	62	\$7,685,032	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
3/1/2006	NS 2006**	North Slope	Areawide	564,600	N/A	\$27.88	N/A	145	\$15,741,677	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
5/24/2006	CI 2006	Cook Inlet	Areawide	222,064	N/A	\$13.19	N/A	71	\$2,845,843	Bonus; \$10/acre Min	12.5% Royalty
5/24/2006	NSF 2006	NS Foothills	Areawide	160,750	N/A	\$7.50	N/A	45	\$1,274,224	Bonus; \$5/acre Min	12.5% Royalty
10/25/2006	BS 2006A**	Beaufort Sea	Areawide	29,157	N/A	\$20.57	N/A	13	\$521,871	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
10/25/2006	NS 2006A**	North Slope	Areawide	138,088	N/A	\$14.27	N/A	44	\$2,079,006	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
2/28/2007	AK PEN 2007	Alaska Peninsula	Areawide	5,728	N/A	\$6.77	N/A	1	\$38,778	Bonus; \$5/acre Min	12.5% Royalty
2/28/2007	NSF 2007	NS Foothills	Areawide	0	N/A	\$0.00	N/A	0	\$0	Bonus; \$5/acre Min	12.5% Royalty
5/23/2007	CI 2007	Cook Inlet	Areawide	133,858	N/A	\$13.30	N/A	45	\$1,780,415	Bonus; \$10/acre Min	12.5% Royalty
10/24/2007	BS 2007**	Beaufort Sea	Areawide	43,250	N/A	\$13.24	N/A	21	\$704,582	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
10/24/2007	NS 2007**	North Slope	Areawide	64,421	N/A	\$20.37	N/A	18	\$1,223,726	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
2/27/2008	AP 2008	Alaska Peninsula	Areawide	0	N/A	\$0.00	N/A	0	\$0	Bonus; \$5/acre Min	12.5% Royalty
2/27/2008	FH 2008	NS Foothills	Areawide	26,607	N/A	\$5.20	N/A	12	\$359,424	Bonus; \$5/acre Min	12.5% Royalty
5/21/2008	CI 2008***	Cook Inlet	Areawide	47,933	N/A	\$28.05	N/A	18	\$2,276,768	Bonus; \$10/acre Min	12.5% Royalty
10/22/2008	BS 2008†	Beaufort Sea	Areawide	99,200	N/A	\$28.97	N/A	32	\$2,614,784	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
10/22/2008	NS 2008†	North Slope	Areawide	214,400	N/A	\$36.49	N/A	60	\$6,531,488	Bonus; \$10/acre Min	12.5% & 16.67% Royalty
5/20/2009	AP 2009	Alaska Peninsula	Areawide	0	N/A	\$0.00	N/A	0	\$0	Bonus; \$5/acre Min	12.5% Royalty
5/20/2009	CI 2009	Cook Inlet	Areawide	5,733	N/A	\$14.07	N/A	4	\$80,678	Bonus; \$10/\$1000/acre Min	12.5% Royalty & 17.707% Royalty
10/22/2009	BS 2009	Beaufort Sea	Areawide	0	N/A	\$0.00	N/A	0	\$0	Postponed	
10/22/2009	FH 2009	NS Foothills	Areawide	0	N/A	\$5.22	N/A	0	\$0	Bonus; \$5/acre Min Lease Forfeited	12.5% Royalty
10/22/2009	NS 2009	North Slope	Areawide	303,346	N/A	\$26.50	N/A	80	\$803,923	Bonus; \$10/acre Min	12.5% & 16.67% Royalty

## Summary of State Competitive Lease Sales 1959-2010

Sale Date	Sale	Sale Area	Acres Offered	Acres Leased	Percent Leased	Average \$/Acre	Tracts Offered	Tracts Leased	Bonus Received	Bid Variable	Fixed Terms
2/24/2010	BS 2010	Beaufort Sea	Areawide	41,579	N/A	\$17.41	N/A	18	\$724,102	Bonus; \$10/acre Min	12.5 % & 16.67% Royalty
5/26/2010	AP 2010	Alaska Peninsula	Areawide	0	N/A	\$0.00	N/A	0	\$0	Bonus; \$5/acre Min	12.5% Royalty
5/26/2010	CI 2010†	Cook Inlet	Areawide	144,640	N/A	\$17.19	N/A	36	\$2,485,990	Bonus; \$10/acre Min	12.5% Royalty
10/27/2010	FH2010	NS Foothills	Areawide	0	N/A	\$0.00	N/A	0	\$0	Bonus; \$5/acre Min	12.5% Royalty
10/27/2010	NS2010†	North Slope	Areawide	602,880	N/A	\$14.62	N/A	129	\$8,811,142	Bonus; \$10/acre Min	12.5 % & 16.67% Royalty
10/27/2010	BS2010A†	Beaufort Sea	Areawide	69,760	N/A	\$10.07	N/A	21	\$702,822	Bonus; \$10/acre Min	12.5 % & 16.67% Royalty
<b>TOTAL: 129 Sales</b>				<b>20,469,161</b>		<b>\$104.86</b>		<b>6,954</b>	<b>\$2,146,457,933</b>		
* Economic Incentive Credits were offered for these sales.								** BS 2007: State received \$78,414.84; ASRC received \$2093.21			
** Sale 86A: State received \$259,435; ASRC received \$1,766,812								** NS 2007: State received \$33,477.66; ASRC received \$23,222.34			
‡ NSF 2002 Bonus does not include 20% of Bonus bid (\$1.25 million) retained by the state for relinquished tracts.								** BS 2008: State received \$28,282.55; ASRC received \$550.71			
** NS 2003: State received \$3,546,578; ASRC received \$39,822.								** NS 2008 State received \$333,452.25; ASRC received \$154,465.56			
** NS 2004: State received \$7,496,152; ASRC received \$103,040								** NS 2009 State received \$767,493.34; ASRC received 36429.97			
** NS 2006: State received \$97,861.73; ASRC received \$67,339.92								†Acres Leased, Average \$/Acre, and Bonus Received are preliminary figures.			
** BS 2006A: State received \$33,843.85; ASRC received \$688.66											
** NS 2006A: State received \$37,897.00; ASRC received \$23,331.88											

# State Competitive Sale Areas 1959-2010

DATE	SALE	
12/10/59	1	Wide Bay; offshore Kenai to Ninilchik, Kachemak Bay
07/13/60	2	Kenai Pen., West Forelands, Nushagak Bay; offshore/uplands
12/07/60	3	Katalla, Kalifonsky Beach, Herendeen Bay; offshore Kodiak
01/25/61	4	Uplands Ninilchik
05/23/61	5	Tyonek, Controller Bay, Pavlov Bay; offshore/uplands
08/04/61	6	Controller Bay (Special Sale); offshore
12/19/61	7	Icy, Yakutat & Kachemak Bays, So. Kenai Pen., N. Cook Inlet; offshore/uplands
04/24/62	8	Big Lake; uplands
07/11/62	9	Tyonek, W. Forelands, Knik Arm/Kalgin Is., Chisik Is., So. Kenai Pen., Wide Bay; offshore/uplands
05/08/63	10	Tyonek, Kenai; offshore/uplands
12/11/63	12	S. of Forelands, Knik & Turnagain Arms, Upper Cook Inlet, Kenai Pen., Tyonek to Katunu River; offshore/uplands
12/09/64	13	Fire Is., W. Forelands, Trinity Is., Prudhoe West; offshore/uplands
07/14/65	14	Prudhoe West to Canning R.; offshore/uplands
09/28/65	15	Fire Is. & N. Cook Inlet, Kalgin Is., Redoubt Bay, Knik, S. Kenai Pen.; offshore/uplands
07/19/66	16	Kenai Pen. & Knik, Middleton Is., Fire Is., Redoubt Bay, Kalgin Is., Iliamna Mt., N. Cook Inlet; offshore/uplands
11/22/66	17	Big Lake, Kenai; offshore/uplands
01/24/67	18	Katalla, Prudhoe; offshore/uplands
03/28/67	19	Lower Cook Inlet; offshore
07/25/67	20	Big Lake, Knik, Iliamna Mt., Belukha, N. Cook Inlet, Kalgin Is., Ninilchik; offshore/uplands
03/26/68	21	Port Heiden & Port Moller; offshore
10/29/68	22	Big Lake, Knik, Belukha, West Forelands, Ninilchik, Kachemak & Kenai; uplands
09/10/69	23	Colville to Canning R.; offshore/uplands
05/12/71	24	Big Lake, Knik, Kenai, West Forelands; uplands
12/11/72	26	Cook Inlet (Between Forelands & Turnagain Arm); offshore/uplands
09/26/72	25	Big Lake, Knik, Belukha, North Cook Inlet; offshore/uplands
05/09/73	27	Tuxedni, Ninilchik, Kenai, Kalgin; offshore/uplands
12/13/73	28	Ninilchik, Kachemak Bay, Belukha; offshore/uplands
10/23/74	29	Kalgin & West Forelands, Chisik, Ninilchik, N. Cook Inlet, Turnagain, Big Lake; offshore/uplands
07/24/79	29B	Copper River Basin
12/12/79	30	Beaufort Sea (Joint Federal & State Sale); offshore Milne Pt. east to Flaxman Is.
09/16/80	31	Prudhoe Uplands: Kuparuk R. to Mikkelsen Bay
08/25/81	32	Lower Cook Inlet: Kenai Pen. and offshore
05/13/81	33	Upper Cook Inlet: Kenai Pen., Trading Bay, Beluga, Susitna R., Susitna Flats, uplands; offshore north of Salamato
02/02/82	35	Lower Cook Inlet: Kenai Pen., Redoubt Cr. north to Drift R., uplands; offshore lower Cook Inlet
05/26/82	36	Beaufort Sea: Pt. Thomson area; offshore/uplands
08/24/82	37	Middle Tanana & Copper River Basins
08/24/82	37A	Chakok River Exempt (Kenai Pen.); uplands
09/28/82	34	Prudhoe Uplands: Sagavanirktok R. to Canning R.

# State Competitive Sale Areas 1959-2010

## 1983-1998

05/17/83	39	Beaufort Sea: Qwydyr Bay to Harrison Bay; offshore/uplands
09/28/83	40	Upper Cook Inlet: Anchorage south to Homer; offshore/uplands
05/22/84	43	Beaufort Sea: Pitt Point east to Harrison Bay; offshore
05/22/84	43A	Colville R. Delta/Prudhoe Bay Uplands Exempt: West of Kavik R.; offshore/uplands
09/18/84	41	Bristol Bay Uplands: Kvichak R. to Port Heiden
02/26/85	46A	Cook Inlet Exempt: Kenai Pen., Susitna R., Pt. MacKenzie, uplands; upper Cook Inlet
09/24/85	45A	North Slope Exempt: Canning R. to Colville R.; offshore/uplands
09/24/85	47	Kuparuk Uplands: South of Prudhoe Bay
02/25/86	48	Kuparuk Uplands: South of Kuparuk oil field
02/25/86	48A	Mikkelsen Exempt: Mikkelsen Bay, Foggy Is. Bay; offshore/uplands
06/24/86	49	Cook Inlet: Kalgin Is., Kahiltna, Yentna, Skwentna rivers, Alexander Cr.; offshore/uplands
01/27/87	51	Prudhoe Bay Uplands: Canning R. to Sagavanirktok R.
06/30/87	50	Camden Bay: Flaxman Is. to Hulahula R.; offshore
09/28/88	55	Demarcation Point: Canning R. to U.S./Canadian border; offshore
09/28/88	69A	Kuparuk Uplands Exempt: Canning R. to Colville R.
01/26/88	54	Kuparuk Uplands: Colville River Delta
01/24/89	52	Beaufort Sea: Pitt Point to Tangent Point; offshore
01/24/89	72A	Oliktok Point Exempt: Uplands
01/29/91	67A	Cook Inlet Exempt: Anch., lower Susitna Valley, Redoubt & Trading Bay, Kenai Pen., uplands; upper inlet, offshore
01/29/91	70A	Kuparuk Uplands Exempt: Canning R. to Colville R.
06/04/91	64	Kavik: Canning R. to Sagavanirktok R.; uplands
06/04/91	65	Beaufort Sea: Pitt Point to Canning R.; offshore
09/24/91	74	Cook Inlet: Nikishka to Ninilchik, Drift R., West Forelands, uplands; Kalgin Is. north to Kenai Pen., offshore
01/22/92	61	White Hills: Colville R. to White Hills; uplands
06/02/92	68	Beaufort Sea: Nulavik to Tangent Point; offshore
12/08/92	75	Kuparuk Uplands: Between NPRA and Sagavanirktok R.; Colville R. Delta ASRC lands
01/26/93	76	Cook Inlet: Big Lake to Salamatof; onshore/offshore
01/26/93	67A-W	Cook Inlet Reoffer: Nancy Lake to West Forelands; onshore/offshore
05/25/93	77	Nanushuk: North Slope Foothills, Chandler R. to Ivanshak R.
05/25/93	70A-W	Kuparuk Uplands Reoffer: Between Canning R. and Kavik R.; onshore
09/21/93	57	North Slope Foothills: Brooks Range foothills, Sagavanirktok R. to Killik R.
09/21/93	75A	Colville River Exempt: Colville River Delta onshore
10/31/94	78	Cook Inlet: Susitna R. to Stariski Cr.; onshore/offshore
11/14/95	67A-W2	Cook Inlet Reoffer: Trading Bay and Susitna R., onshore/offshore
11/14/95	74W	Cook Inlet Reoffer: Onshore/offshore, mouth of Kasilof R.
11/14/95	76W	Cook Inlet Reoffer: Onshore between Tyonek and Palmer, Knik Arm
11/14/95	78W	Cook Inlet Reoffer: Forelands to Little Susitna R, Kasilof R. to Stariski Pt., onshore/offshore
12/05/95	80	Shaviovik: Sag R. to Canning R., southern Kuparuk Uplands, Gwydyr Bay, Foggy Island Bay, onshore/offshore
10/01/96	86A	Colville River Exempt: Colville R, offshore, state/ASRC onshore/offshore
12/18/96	85A	Cook Inlet Exempt: Anchor Pt. and Tuxedni Bay to Turnagain Arm, Beluga R. offshore/onshore
11/18/97	86	Central Beaufort Sea: Harrison Bay to Flaxman Island
02/24/98	85A-W	Cook Inlet Reoffer: Onshore/offshore; Tyonek to Tuxedni Bay and Chickaloon Bay to Ninilchik
06/24/98	87	North Slope Areawide: State acreage between NPRA and ANWR north of the Umia Baseline

# State Competitive Sale Areas 1959-2010

## Areawide Sales 1999-2010

02/24/99	North Slope Areawide 1999	State acreage between NPRA and ANWR north of the Umiat Baseline
04/21/99	Cook Inlet Areawide 1999	State acreage between Anchor Pt. and Houston
08/16/00	Cook Inlet Areawide 2000	State acreage between Anchor Pt. and Houston
11/15/00	North Slope Areawide 2000	State acreage between NPRA and ANWR north of the Umiat Baseline
11/15/00	Beaufort Sea Areawide 2000	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
05/16/01	Cook Inlet Areawide 2001	State acreage between Anchor Pt. and Houston
05/16/01	North Slope Foothills Areawide 2001	State acreage between NPRA and ANWR south of the Umiat Baseline
10/24/01	North Slope Areawide 2001	State acreage between NPRA and ANWR north of the Umiat Baseline
10/24/01	Beaufort Sea Areawide 2001	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
05/01/02	Cook Inlet Areawide 2002	State acreage between Anchor Pt. and Houston
05/01/02	North Slope Foothills Areawide 2002	State acreage between NPRA and ANWR south of the Umiat Baseline
10/24/02	North Slope Areawide 2002	State acreage between NPRA and ANWR north of the Umiat Baseline
10/24/02	Beaufort Sea Areawide 2002	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
05/07/03	Cook Inlet Areawide 2003	State acreage between Anchor Pt. and Houston
05/07/03	North Slope Foothills Areawide 2003	State acreage between NPRA and ANWR south of the Umiat Baseline
10/29/03	North Slope Areawide 2003	State acreage between NPRA and ANWR north of the Umiat Baseline
10/29/03	Beaufort Sea Areawide 2003	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
05/19/04	Cook Inlet Areawide 2004	State acreage between Anchor Pt. and Houston
05/19/04	North Slope Foothills Areawide 2004	State acreage between NPRA and ANWR south of the Umiat Baseline
10/27/04	North Slope Areawide 2004	State acreage between NPRA and ANWR north of the Umiat Baseline
10/27/04	Beaufort Sea Areawide 2004	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
05/18/05	Cook Inlet Areawide 2005	State acreage between Anchor Pt. and Houston
05/18/05	North Slope Foothills Areawide 2005	State acreage between NPRA and ANWR south of the Umiat Baseline
10/26/05	Alaska Peninsula Areawide 2005	State acreage between Nushagak and Kvichak Bays to Moffet Point
03/01/06	North Slope Areawide 2006	State acreage between NPRA and ANWR north of the Umiat Baseline
03/01/06	Beaufort Sea Areawide 2006	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
05/24/06	Cook Inlet Areawide 2006	State acreage between Anchor Pt. and Houston
05/24/06	North Slope Foothills Areawide 2006	State acreage between NPRA and ANWR south of the Umiat Baseline
10/25/06	North Slope Areawide 2006A	State acreage between NPRA and ANWR north of the Umiat Baseline
10/25/06	Beaufort Sea Areawide 2006A	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
02/28/07	Alaska Peninsula Areawide 2007	State acreage between Nushagak and Kvichak Bays to Moffet Point
02/28/07	North Slope Foothills Areawide 2007	State acreage between NPRA and ANWR south of the Umiat Baseline
05/23/07	Cook Inlet Areawide 2007	State acreage between Anchor Pt. and Houston
10/24/07	North Slope Areawide 2007	State acreage between NPRA and ANWR north of the Umiat Baseline
10/24/07	Beaufort Sea Areawide 2007	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
02/27/08	Alaska Peninsula Areawide 2008	State acreage between Nushagak and Kvichak Bays to Moffet Point
02/27/08	North Slope Foothills Areawide 2008	State acreage between NPRA and ANWR south of the Umiat Baseline
05/21/08	Cook Inlet Areawide 2008	State acreage between Anchor Pt. and Houston
10/22/08	North Slope Areawide 2008	State acreage between NPRA and ANWR north of the Umiat Baseline
10/22/08	Beaufort Sea Areawide 2008	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
5/20/09	Alaska Peninsula Areawide 2009	State acreage between Nushagak and Kvichak Bays to Moffet Point
5/20/09	Cook Inlet Areawide 2009	State acreage between Anchor Pt. and Houston
	Beaufort Sea Areawide 2009	Sale was postponed
10/28/09	North Slope Areawide 2009	State acreage between NPRA and ANWR north of the Umiat Baseline
10/28/09	North Slope Foothills Areawide 2009	State acreage between NPRA and ANWR south of the Umiat Baseline
2/24/10	Beaufort Sea Areawide 2010	State acreage within the 3-mile limit, between Dease Inlet and Barter Island
5/26/10	Alaska Peninsula Areawide 2010	State acreage from the Nushagak Peninsula in the north, down the north side of the Alaska Peninsula to the vicinity of Cold Bay
5/26/10	Cook Inlet Areawide 2010	State acreage between Anchor Point and Houston
10/27/10	North Slope Foothills Areawide 2010	State acreage between NPRA and ANWR, south of the Umiat Baseline
10/27/10	North Slope Areawide 2010	State acreage between NPRA and ANWR north of the Umiat Baseline
10/27/10	Beaufort Sea Areawide 2010A	State acreage within the 3-mile limit, between Dease Inlet and Barter Island

# Exploration Licensing

Exploration licensing supplements the state's oil and gas leasing program and encourages oil and gas exploration outside of the known oil and gas provinces in the Alaska Peninsula, Cook Inlet, Beaufort Sea, North Slope, and North Slope Foothills. The holder of an oil and gas exploration license has the exclusive right to explore an area between 10,000 acres and 500,000 acres in size for a term of up to 10 years. Rather than an up-front bonus payment to the state, as is done in competitive leasing, a licensee must commit direct expenditures for exploration. Because a license has no annual rental payments, the only money guaranteed the state is a one-time \$1 per acre licensing fee, which is paid upon acceptance. However, the state is provided all of the geological and geophysical information acquired by the licensee, and so it can gain a better understanding of an area's resource potential.

Each application for an exploration license must go through a public notice and written finding process to determine whether issuance of a license is in the state's best interest. DNR first issues a notice of intent to evaluate the exploration license proposal and solicits any competing proposals for the area. The department then requests public comment on the proposal(s) and goes through a best interest finding process similar to that for oil and gas leasing to determine whether issuing a license for the area is in the best interest of the state. If competing proposals are submitted for an area, the ap-

plicants must submit sealed bids. The successful bidder is determined by the highest bid in terms of the minimum work commitment dollar amount.

The licensee must commit 25 percent of the total specified work commitment by the fourth anniversary of the exploration license. Once the total work commitment is met, the licensee may convert all or a portion of the license area to oil and gas leases without going through a competitive bidding process. Upon conversion, the lessee begins paying the state annual rental fees of \$3 per acre. Should exploration lead to development and production, the state is entitled to a royalty share that cannot be less than 12.5 percent.

## Five-Year Licensing Program

DNR accepts proposals for oil and gas exploration licenses that it receives during the month of April of each year, as specified in 11 AAC 82.909. Land not eligible for licensing is specified in AS 38.05.131. The following table shows the license applications the department has received since areawide leasing began, and their current status. The Healy exploration license was issued on 12/20/2010. A final finding on remand for the Holitna exploration license was issued on December 9, 2009, and is currently subject to a Superior Court appeal period, while the Crooked Creek-Circle and Houston-Willow applications have received public notice and are pending issuance of preliminary best interest findings.

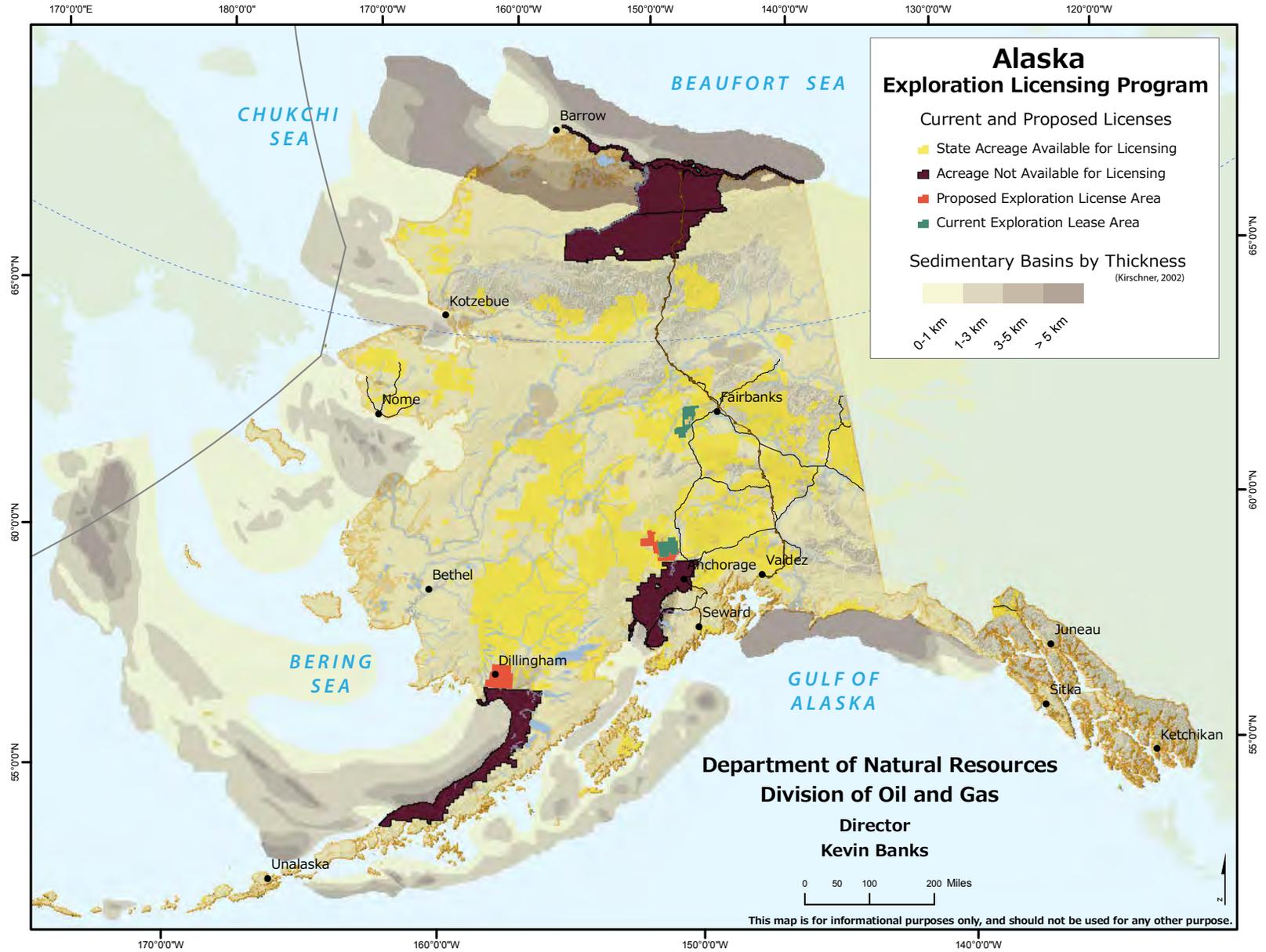
## Exploration Licenses

Location	ADL/ Status	Licensee	Acres	Work Commitment	Effective Date	Term
Susitna Basin II*	390078 Active	Cook Inlet Energy LLC	471,474	\$3,000,000	11/1/2003	10 Yrs
Nenana Basin**	390079 Active	Doyon Ltd; ASRC; Usibelli Energy LLC	482,942	\$2,525,000	10/1/2002	10 Yrs
Crooked Creek-Circle Basin	391236 Application	BGI North America LLC	72,443	\$500,000	Proposed	(10 Yrs)
Holitna Basin***	390607 On appeal	Holitna Energy Co. LLC	26,791	\$80,373	Pending	
Healy Basin	390606 Issuance of License Pending	Usibelli Coal Mine Inc.	197,635	\$500,000	1/1/2011	(10 Yrs)
Houston- Willow Basin	391282 Application	LAPP Resources Inc.	21,080	\$500,000	Proposed	(10 Yrs)
Crooked Creek-Circle Basin	391236 Application	BGI North America LLC	72,443	\$500,000	Proposed	(10 Yrs)
Susitna Basin IV	391628 Application	Cook Inlet Energy LLC	62,909	\$2,250,000	Proposed	(10 Yrs)

\* License extended from 7 to 10 years on November 1, 2010. Cook Inlet Energy LLC committed an additional \$750,000.00 in work commitments.

\*\*License extended from 7 to 10 years on October 21, 2008. Part of the license area will be patented to University of Alaska per 2005 legislation and settlement agreement.

\*\*\*Final on remand was issued December 9, 2009; Superior Court appeal is pending.



# Geothermal Leasing

**D**NR has held a total of three geothermal lease sales, all for areas along the southern flanks of Mount Spurr, located about 40 miles northwest of Tyonek. The first two sales, held in 1983 and 1986, did not result in any development. In 2006, amid renewed interest in Alaska's geothermal resource potential, DNR received requests from industry to make Mt. Spurr available for geothermal leasing again. On September 10, 2008, DNR held the Mount Spurr Geothermal Lease Sale No. 3, and received 20 bids on all 16 available tracts, generating \$3,527,073.34 in bonus bids.

DNR has also received interest in geothermal resource development on Augustine Island, located in lower Cook Inlet. DNR is currently in the process of evaluating the area. A finding to determine whether it is in the state's best interest to offer the area for geothermal leasing is expected to be completed in 2011.

The increasing interest in geothermal resources is further evidenced by two additional exploration projects taking place on private land, one on the Alaska Peninsula near Naknek, and one currently underway in the Aleutians at Akutan.

Geothermal leasing procedures are set out in 11 AAC 84.700 through .950. For areas of known geothermal potential, the commissioner may designate a proposed geothermal disposal area comprised of individual tracts of not more than 2,560 acres, and invites public comment on the proposed area, and applications for the tracts during a specified time period. After reviewing available geologic information and the response to the call for applications, the commissioner determines whether to offer the tracts for competitive leasing, or issue noncompetitive geothermal prospecting permits. Noncompetitive prospecting permits may be issued for tracts receiving only one application; tracts receiving two or more applications must be leased competitively. A decision that the lease sale is in the best interests of the state of Alaska, or "Best Interest Finding," is required before the lease sale can occur.

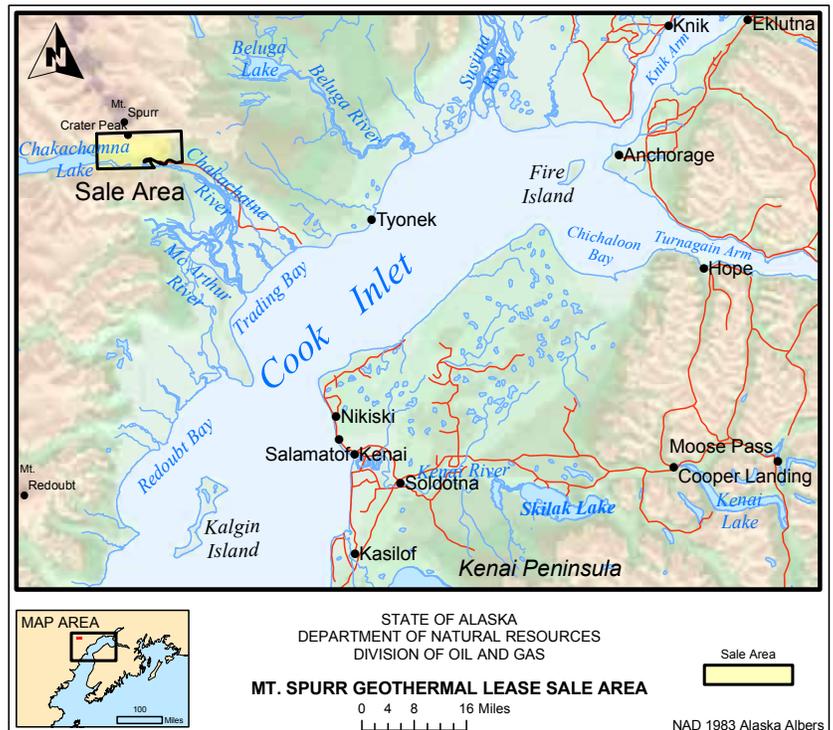
The competitive geothermal lease sale process is conducted in the same manner as for oil and gas lease sales,

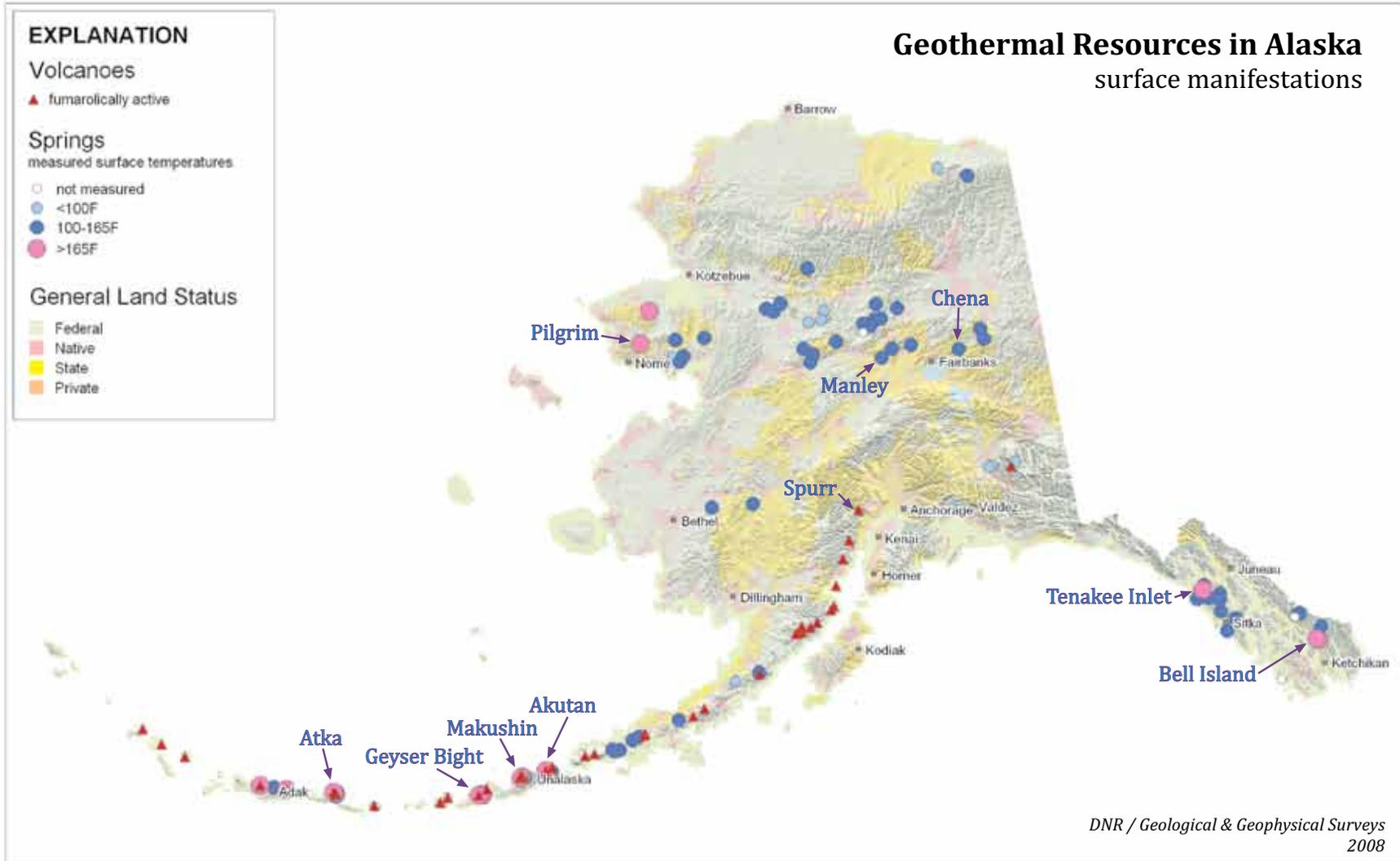
which consist of a public opening and reading of sealed bonus bids. The highest qualified bidder per acre on a tract is awarded the lease.

Geothermal leases are issued for a primary term of ten years, with one five year extension possible if the lessee has begun operations necessary to drill a geothermal well. Geothermal lease extension requirements are set out in 11 AAC 84.745. Once commercial production has begun, leases will be extended for the duration of commercial production. Annual lease rentals are \$3 per acre, and the state's royalty rate is 1.75 percent of the gross revenues derived from the production, sale, or use of geothermal resources under the lease during the first 10 years immediately following the date the geothermal resources first generates gross income, and 3.5 percent of the gross revenues derived from the production, sale or use of geothermal resources under the lease after that first 10 year period.

For more information on the state's geothermal leasing program, please see the division's web page at

<http://www.dog.dnr.state.ak.us/oil/products/publications/geothermal/geothermal.html>





Data from: Motyka, R.J., Moorman, M.A., and Liss, S.A., 1983, Geothermal resources of Alaska: Alaska Division of Geological & Geophysical Surveys Miscellaneous Publication 8, 1 sheet, scale 1:2,500,000.  
<http://www.dggs.dnr.state.ak.us/pubs/pubs?reqtype=citation&ID=671>

# Mt. Spurr Geothermal Lease Sale No. 3



## Sale Results Summary Mt. Spurr Geothermal Lease Sale No. 3

Date of Sale: 9/10/2008  
Bidding Method: Cash Bonus Bid, Fixed Royalty

**Final Report**  
9/19/2008

Total Tracts Sold: 16  
Total Acres Sold: 36,057.13  
Min Bid Per Acre: \$1.00  
Royalty %: 10.00000%

Highest Bid: \$1,529,400.00  
Tract Number: 3  
Submitted By: Ormat Nevada Inc.

Total Number of Valid Bids: 20  
Total High Bonus Bids: \$3,527,073.34  
Total Exposed (Sum Of All Valid Bids): \$3,570,069.44  
Average High Bonus Bid Per Acre: \$90.44

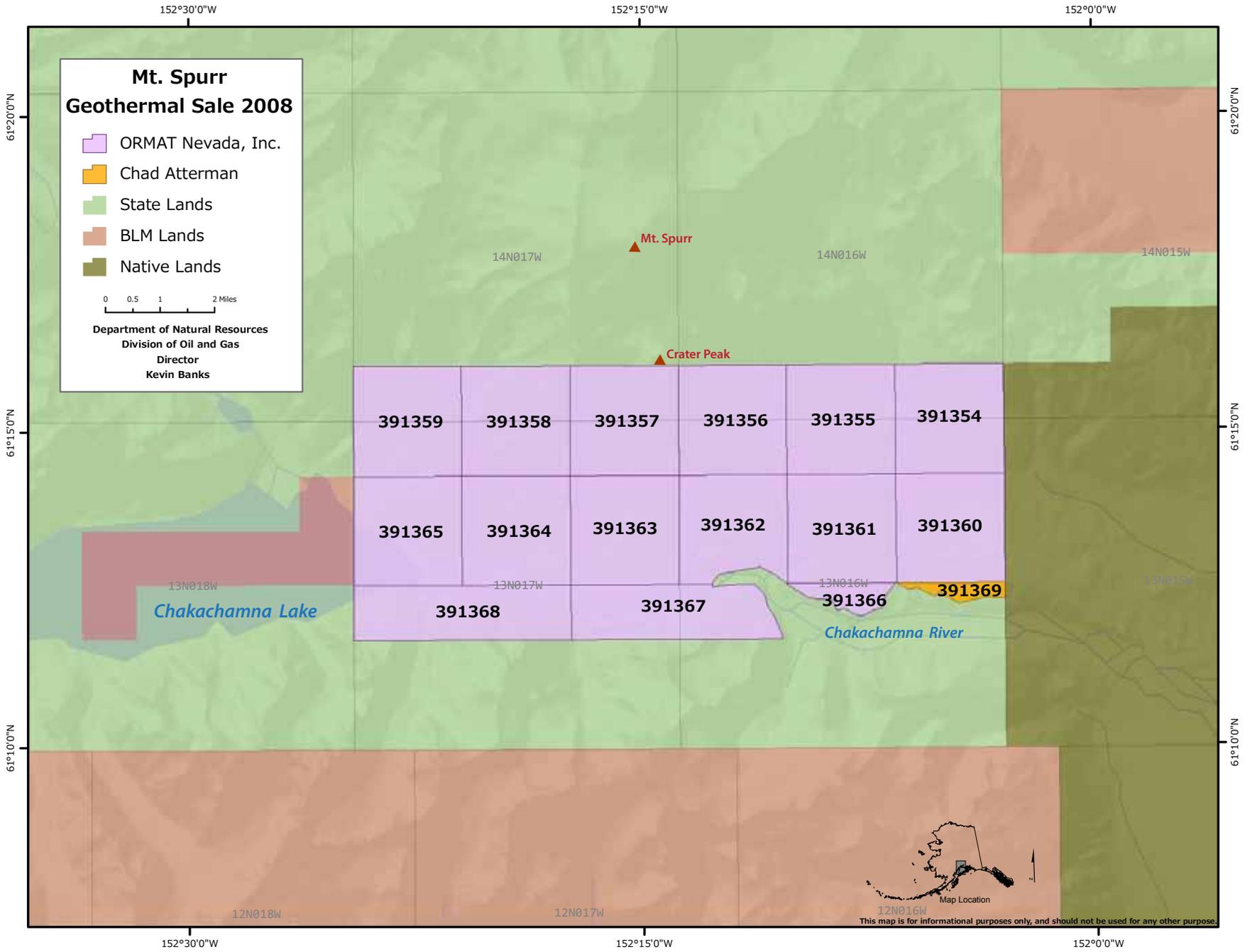
Highest Bid/Acre: \$600.00  
Tract Number: 3  
Submitted By: Ormat Nevada Inc.

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
ORMAT NEVADA INC. 100.00000%	16	\$3,522,816.93	15	\$3,522,066.24
ICELAND AMERICA ENERGY INC. 100.00000%	3	\$42,245.41	0	0
Chad Attermann 100.00000%	1	\$5,007.10	1	\$5,007.10

The royalty rate is 10.0% of the gross revenues derived from the production, sale or use of geothermal resources under the lease.

### Active Geothermal Leases

Location	ADL	Lessee	Acres	Effective Date	Expires
Mt. Spurr	391354 - 391368	Ormat Nevada Inc.	35,806.90	11/1/2008	10/31/2018
Mt. Spurr	391369	Chad Attermann	250.23	11/1/2008	10/31/2018



# Qualifications for Bidding

## QUALIFYING TO APPLY FOR, OBTAIN, OR TRANSFER AN INTEREST, PERMIT, OR LEASE RELATING TO OIL AND GAS IN ALASKA

### Who Must File

Every individual, association or partnership, corporation, or person authorized to act on behalf of another party must qualify with the Division of Oil and Gas prior to bidding for lease tracts. Qualification also must be obtained prior to applying for, obtaining, or transferring interest in a permit or lease issued under AS 38.05.135 - 38.05.184.

### Where to File

Address any required information or inquiries regarding qualifications to State of Alaska, Department of Natural Resources, Division of Oil and Gas, 550 West 7th Avenue, Suite 800, Anchorage, Alaska 99501-3560. Hand-carried material should be delivered to the same address.

### How to File

The following is a list of the information and documents required when qualifying under 11 AAC 82.200 - 11 AAC 82.205. Information and documents that have been filed previously and are still current may be sufficient to qualify individuals or other entities.

### A. Individuals

11 AAC 82.205(a)(2). Individuals must submit a signed, dated statement that includes the applicant's name, address, and telephone number, preferably notarized, attesting that:

The individual has reached the age of majority (in Alaska the age of majority is 18 years, except for those who are emancipated earlier by marriage or by court order), a citizen of the United States or an alien qualified under AS 38.05.190.

Forms may be obtained from the Division of Oil and Gas upon request, or online at: [http://www.dog.dnr.state.ak.us/oil/programs/leasing/leaseadmin/stmnqual\\_rev04-09.pdf](http://www.dog.dnr.state.ak.us/oil/programs/leasing/leaseadmin/stmnqual_rev04-09.pdf) or a statement including the necessary information may be composed and submitted by an individual.

Any legal representative, guardian, or trustee for an individual must submit a certified copy of the court order authorizing the representative to act in that capacity and to fulfill, on behalf of the individual, all obligations arising under the lease or permit. The representative must also submit a signed statement as to the age of the individual and themselves.

Agents for an individual must submit an original or certified copy of a notarized power of attorney instrument authorizing the agent to act on behalf of the individual.

### B. Corporations

Corporations must submit:

- 1) the current name, mailing address, phone and fax numbers of the corporation;
- 2) a list of the individuals authorized to act on its behalf with respect to oil and gas leasing or permitting;
- 3) an original or certified copy of a notarized power of attorney authorizing any agent who is not a current officer but who has been authorized by the corporation to act on its behalf with respect to the mineral specified in the permit or lease;
- 4) a current Certificate of Compliance (Certificate of Good Standing) for those corporations qualified to do business in Alaska;

-or-

- 5) if filing for the first time, either:
  - a) a Certificate of Incorporation (Certificate of Organization for an LLC) from those corporations which have been incorporated in the state of Alaska (also known as "domestic" corporations), or
  - b) a Certificate of Authority (Certificate of Registration for an LLC) from those corporations which have been incorporated outside the state of Alaska (also known as "foreign" corporations).

The required certificates must be requested from the Alaska Department of Commerce, Community and Economic Development (DCCED). Certificates may be purchased online at [www.dced.state.ak.us/occ/](http://www.dced.state.ak.us/occ/), e-mail: [corporations@alaska.gov](mailto:corporations@alaska.gov).

These documents may also be obtained by mail from:

Alaska Department of Commerce, Community and Economic Development (DCCED)  
Attention: Corporations Section  
9th Floor, State Office Building  
P. O. Box 110808  
Juneau, Alaska 99811-0808  
(907) 465-2530

-or-

Alaska Department of Commerce and  
Economic Development  
Attention: Corporations Section  
550 W 7th Ave., Suite 1500  
Anchorage, Alaska 99501  
(907) 269-8173

Inquiries about incorporating in the state of Alaska, or qualifying as a foreign corporation to do business in the state of Alaska should be addressed to personnel at either of the above addresses.

### C. Unincorporated Associations

Unincorporated Associations, partnerships or joint ventures must submit:

- 1) a statement describing the business relationships between members of the association, partnership or joint venture;
- 2) a statement of qualifications for each member of the association, partnership, or joint venture (outlined in Section A);

-and/or-

if some or all of the members are incorporated entities, all information required for corporations (described in Section B) must also be submitted; and

- 3) in the case of an agent acting on behalf of an

individual, an original or certified copy of a notarized power of attorney defining the agent's authority to sign with respect to the mineral specified in the permit or lease on behalf of the partnership, association or joint venture.

If still current, material previously filed with the department satisfying all or part of the requirements of this section may be incorporated in an application by appropriate reference together with a statement as to any material changes or amendments. Qualified parties are responsible for ensuring that any changes in this information is updated with the division.

### Sources

- 11 AAC 82.200
- 11 AAC 82.205
- AS 38.05.020
- AS 38.05.145(a)

### Further Information

For further information regarding qualifying for Alaska oil and gas leases, please contact the State of Alaska, Department of Natural Resources, Division of Oil and Gas, 550 West 7th Avenue, Suite 800; Anchorage, Alaska 99501-3560; Phone (907) 269-8810 or visit our Web site at <http://www.dog.dnr.state.ak.us>.

## Financial Incentives and Tax Credit Programs

### Production Tax Credits

The State assesses a production tax equal to between 25 and 75 percent of a measure of net cash flow. In determining net cash flow, field operating and capital expenditures ("lease expenditures") are deductible. In addition, there are credits that can be used to offset tax liability for the current tax year, carried forward to offset tax liability in a future year, or sold to another taxpayer or, if certain conditions are met, sold back to the State.

Under AS 43.55.023(a) transferable credits are issued by the Alaska Department of Revenue for qualified capital expenditures (QCE credits) including most development-related capital expenditures and any exploration capital expenditures that do not qualify under AS 43.55.025 (see below). On the North Slope and north of 68 degrees north latitude credits are issued for 20 percent of qualified capital expenses paid out over two years.

AS 43.55.023(m) and (n) establishes that, in Cook Inlet and anywhere south of 68 degrees north latitude, credits equal to 40 percent of capital expenses related to wells that qualify under AS 43.55.025 may be taken in the first year after that expense is incurred. Credits for other qualified capital expenses must be split and claimed over a two year period.

To qualify for exploration credits under AS 43.55.023, the producer or explorer must agree to the data submission requirements, limits on confidentiality, and other applicable provisions of AS 43.55.025(f) as summarized below.

Under AS 43.55.023(b) transferable credits are issued by the Alaska Department of Revenue for 25 percent of a carried-forward loss or lease expenditure that is not offset by income (Loss Carry-Forward credit). Loss Carry-Forward credits are paid out over two years unless issued under AS 43.55.023(n).

Under AS 43.55.024(a) nontransferable tax credits

are issued by the Alaska Department of Revenue for production south of 68 degrees north latitude and outside of Cook Inlet sedimentary basin (Frontier Basins Production Credit). Credits for any one year shall not exceed \$6 million and continue for nine calendar years after first production. To receive the credit first production must occur before May 1 2016.

Under AS 43.55.024(c) nontransferable tax credits are issued by the Alaska Department of Revenue for production by small-volume producers (Small Producer Credit) as follows: \$12 million per calendar year for producers with production less than 50,000 barrels of oil equivalent (BOE) per day; the credit amount declines on a straight line sliding scale to zero credit for production greater than 100,000 BOE per day. The credit continues for nine calendar years after first production. To receive the credit first production must occur before May 1 2016.

### **Exploration Tax Credits Under AS 43.55.025**

This statute allows for a production tax credit for certain exploration geophysical survey and drilling activities as an alternative to the QCE credits under AS 43.55.023. Provisions for exploration drilling credits under this statute are different for areas inside of and outside of the Cook Inlet sedimentary basin.

For exploration drilling within the Cook Inlet sedimentary basin, the credit is 30 percent of the cost of an exploratory well if the well target is pre-approved or the bottom-hole location of the exploratory well is at least 10 miles from the boundary of any unit. If an exploratory well satisfies both the pre-approval and 10-mile criteria, it receives a 40 percent credit for exploratory expenses. Well data shall be made publicly available after an initial two-year confidential period with some exceptions.

For exploration drilling outside the Cook Inlet sedimentary basin, the credit is 30 percent of the cost of an exploratory well if well target is pre-approved and the bottom hole location is three or more miles from the bottom hole location of a pre-existing well. The 30 percent credit also applies if the bottom hole location of the exploratory well is at least 25 miles from the boundary of any unit. A preexisting well is a well that has been spud more than a year-and-a-half (540 days) before the spud date of the exploratory well. If a pre-approved exploratory well satisfies both the 3-mile and the 25-mile criteria, it receives a 40 percent credit for exploratory expenses.

The program also offers seismic exploration tax credits of 40 percent of eligible costs for those portions of activities outside of a unit.

Data submission requirements and confidentiality provisions for this program are the same throughout Alaska, as specified in 43.55.025(f)(2). The explorer must agree to notify DNR within 30 days of project completion or filing of a claim for credit, whichever is the latest, of the date of project completion and submit a report describing the processing sequence and a list of data sets available. Well data requested by and submitted to DNR will be made publicly available after expiration of the well's 24-month confidentiality period, followed by 30 days public notice. Seismic or other geophysical data will be made publicly available after 10 years followed by 30 days public notice.

Well data include all analyses conducted on physical material and well logs collected from the well, results and copies of data collected and data analyses for the well, including well logs; sample analyses; testing geophysical and velocity data including seismic profiles and check shot surveys; testing data and analyses; age data; geochemical analyses; and tangible material.

Seismic or other geophysical data sets include the data for an entire survey, irrespective of whether the survey area covers non-state land in addition to state land or land in a unit in addition to land outside a unit. Geophysical data include navigation/location data, field data, final output volumes, a report addressing acquisition and processing with processing flow and list of final products, and in the case of seismic data, final gathers and final stacking and migration velocities.

This exploration tax credit program expires on July 1, 2016. The expenses that qualify for credits under this tax program cannot be the basis of for the 20 percent qualified capital expenditure credit under AS 43.55.023(a) or for the 25% qualified capital expenditure credit under AS 43.20.043. However, the exploratory expenses are still deductible as a lease expenditure when calculating production tax liability under AS 43.55.011(e), and can be the basis of a loss carry-forward credit under AS 43.55.023(b) if the explorer lacks production income against which to deduct the exploration expenses. In addition, certain post-exploratory expenses that are ineligible for a credit under AS 43.55.025 can be the basis for a 20% qualified capital expenditure credit under AS 43.55.023(a). Credits under 43.55.025 and 43.55.023 can be either carried forward or transferred to other taxpayers. If a producer is unable to use the credit to offset current tax liability, and is small (produces less than 50,000 barrels of oil equivalent per day), the company can be directly reimbursed by the State for the credit rather than have to sell the credit to another taxpayer or offset future tax liability with the credit.

For the period between July 1, 2008 and June 30, 2009

(Fiscal Year 2009) around \$550 million of these transferrable credits were claimed, with \$193 million paid out directly by the State and another \$350 million used by taxpayers to directly offset liability.

### **Cook Inlet Jack-Up Tax Credit**

Under AS 43.55.025(a)(5) and (m), passed by the Alaska Legislature in 2010, the state of Alaska offers tax credits for exploration expenses of 100, 90 and 80 percent respectively for drilling the first, second and third exploration wells by a jack-up drilling rig, prescribed as follows: 100 percent of the first well up to \$25 million, 90 percent of the second well up to \$22.5 million, and 80 percent of the third well up to \$20 million. Only the first jack-up rig in Cook Inlet receives this credit. Qualifying expenses shall only be for the drilling of wells from a jack-up rig and that test pre-Tertiary strata. All three wells must be drilled by unaffiliated parties. If production results from the drilling of a well that receives this credit, the operator shall repay 50% of credit over ten years following production start-up. This credit shall be taken in lieu of other credits under AS 43.55.023 and AS 43.55.025. This credit shall not apply to any wells drilled outside the Cook Inlet sedimentary basin.

### **Exploration Incentives Under AS 38.05.180(i)**

This statute authorizes the commissioner of the Department of Natural Resources to establish an exploration incentive credit (EIC) system. Credits may be made available for both drilling and geophysical survey costs. This EIC must be designated by the commissioner as a lease sale term for state-owned lands only and is not allowed for exploration costs on unleased, Federal-, or private-owned lands.

For drilling, credits may provide up to 50 percent of costs incurred, depending on well depth and location. Well data shall be made publicly available after an initial two-year confidential period. If demonstrated by the lessee as necessary, confidentiality may be extended.

For geophysical surveys, credits may provide up to 50 percent of costs incurred, if that work is performed during the two seasons immediately preceding an announced lease sale and is on land included within the sale area. The geophysical information must then be made public after the sale. Credits are granted by the commissioner for a limited period and may be assigned to a third party. Credits may be applied against royalty and rental payments to the state, or taxes payable under AS 43.55. Amounts due the Alaska Permanent Fund (AS 37.13.010) are

considered before the application of credits.

Since the state began offering EICs under this program, 22 exploratory wells qualifying for credit have been drilled on state leases. There have been no applications for geophysical EICs. The last claim for this credit was made for a well drilled in 1994.

### **Natural Gas Exploration Tax Credits Under AS 43.20.043**

This program is applicable only to operators and working interest owners engaged in exploration for and development of natural gas resources and reserves south of 68 degrees north latitude. The program allows for a 25 percent tax credit equivalent of qualified capital investments made after December 31, 2009, and 25 percent of the annual cost of activity in the state during each tax year. The total allowable yearly tax credit, which is applicable against corporate income tax only, may not exceed 75 percent of the taxpayer's total tax liability. Unused tax credit may be carried forward for up to five years. Credit is transferable only as part of a conveyance, assignment, or transfer of the taxpayer's business. Credit under this program may be used in conjunction with any other credit authorized by AS 43.20, but not for tax credit or royalty modification provided under any other title. This program expires January 1, 2016.

### **Nonconventional Natural Gas Rent and Royalty Incentive**

Under AS 38.05.180(n)(2), if the lessee under a gas-only lease demonstrates that the potential resources underlying the lease are reasonably estimated to be nonconventional gas, the annual rental payment on the lease will be reduced to \$1 per acre and the royalty may be reduced to 6.25 percent.

### **Gas Storage Incentives**

Under AS 43.20.046, passed by the Alaska Legislature in 2010, natural gas storage tax credits are established for any natural gas storage facility commencing operations between December 31, 2010 and January 1, 2016. The credit equals \$1.50 per thousand cubic feet of "working gas" storage capacity, up to lesser of \$15 million or 25% of the costs incurred to establish gas storage facility. This credit may be used to offset up to 100% of corporate income tax liability, and any excess credit is available for state purchase.

This credit expressly does not apply to gas storage related to gas sales pipeline on the North Slope. To receive the credit under this statute, the facility shall operate as a public utility regulated by the Regula-

tory Commission of Alaska (RCA) with open access for third parties. The storage capacity shall be determined by the Alaska Oil and Gas Conservation Commission (AOGCC).

Additionally, under AS 38.05.180(u), passed by the Alaska Legislature in 2010, natural gas storage that qualifies for a credit under AS 43.20.046 is exempt from rents, fees and royalties for ten years following startup of commercial operation. Non-native natural gas injected and stored in the storage reservoir is presumed to be first-out. All credits and exemption from rent, fee and royalty payments shall be passed through to rate payers.

### **Royalty Modification**

Under AS 38.05.180 (f)(4) (Cook Inlet Discovery Royalty) an explorer that discovers a new pool in Cook Inlet and drills a well capable of producing in paying quantities from that pool, pays only a 5% royalty for the first 10 years of production.

Under AS 38.05.180(f)(5) the state automatically grants royalty reduction for certain Cook Inlet fields identified in the statute for the first 10 years of production.

Under AS 38.05.180(f)(6) for certain platforms in the Cook Inlet, if production falls below a certain level (ranging from 750 to 1,200 barrels per day depending on the field) in barrels per day over a calendar quarter, the royalty is reduced to 5%.

Under AS 38.05.180(j) the Department of Natural Resources may reduce royalties to as low as five percent for delineated reservoirs from which production would not otherwise be economically feasible. For a field already in production, the royalty may be reduced to as low as three percent.

### **Exploration Licensing**

The State generally awards leases in area-wide competitive lease sales. However, for frontier basins in Alaska the State has issued exploration licenses under AS 38.05.132. For these licenses, instead of paying a bonus bid, the licensee specifies a work commitment and posts a bond in the amount of the work commitment along with a \$1 per acre fee. The licensee must make progress toward completing the work commitment over the term of the license. Later, the licensee has the opportunity to convert the license to a lease.

# Exploration Incentive Credits

## AS 38.05.180(i)

ADL	WELL	COMPANY	CERTIFICATION DATE	TOTAL AMOUNT
343109	G-2 Well	Exxon Company USA	10/05/83	\$6,197,625.00
		Sohio Alaska Petro.	12/27/83	4,152,408.75
		BP Alaska Exploration	10/05/83	2,045,216.25
344010	Leffingwell	ARCO Alaska Inc.	10/02/84	\$3,706,000.00
		Unocal	10/02/84	3,706,000.00
344033	J-1 Well	Exxon Company USA	10/31/84	\$5,119,500.00
355005	Long Island Well	Exxon Company USA	11/14/84	\$1,367,738.00
		Sohio Alaska Petroleum	11/14/84	1,378,076.00
345130	Totek Hills	ARCO Alaska Inc.	08/02/85	\$715,530.81
355037	Colville Delta #1	Texaco Inc.	07/09/86	\$952,179.00
		Amerada Hess	07/08/86	888,594.00
		Diamond Shamrock (Maxus)	07/08/86	100,128.00
		Rosewood Resources	07/08/86	12,662.00
		Hunt Petroleum Co.	07/08/86 (1)	8,866.36
		BP Alaska Exploration	02/31/87	475,631.00
		Mobil	02/05/87	432,511.00
364478 (2)	Colville Delta Area AHC 25-13-6 #1 Well	Amerada Hess	10/12/87 (3)	\$140,071.13
		Texaco Inc.	10/12/87 (4)	771,743.46
		Maxus Exploration	10/12/87 (5)	100,297.41
		Rosewood Resources	10/12/87 (6)	4,111.82
355038 (2)	Colville Delta #2	Amerada Hess	10/28/87	\$757,731.46
		Texaco Inc.	10/28/87	898,563.40
		BP Alaska Exploration	10/28/88	423,982.26
355039 (2)	Colville Delta #3	Amerada Hess	10/28/87 (7)	\$ 0.00
		Texaco Inc.	10/28/87 (8)	0.00
		BP Alaska Exploration	10/28/87 (9)	63,228.39
		Union Texas Petroleum	10/28/87 (10)	14,097.50
344176	Gyr #1	ARCO Alaska, Inc.	11/15/90 (11)	\$699,302.43
		Amerada Hess	11/15/90 (11)	732,804.63
		Conoco	11/15/90 (12)	732,804.62
355021	NW Milne #1	Conoco	07/10/92 (13)	\$1,371,691.42
		Conoco	02/09/93	660,321.00
375044	Sequoia #1	Conoco	07/10/92 (13)	\$275,521.32
		Petrofina	07/10/92 (14)	227,594.08
		Conoco	02/09/93	16,333.56
		Petrofina	02/09/93	19,963.24

## Exploration Incentive Credits (continued)

ADL	WELL	COMPANY	CERTIFICATION DATE	TOTAL AMOUNT
375076	Cirque #2	ARCO Alaska, Inc.	02/09/93 (15)	\$845,018.43
375108	Tarn #1	ARCO Alaska, Inc.	02/09/93 (16)	\$727,939.95
355036	Kalubik #1	ARCO Alaska, Inc.	02/09/93 (17)	\$2,599,602.13
		ARCO Alaska Inc. (UTP)	03/04/93	250,822.50
		ARCO Alaska Inc. (UTP)	04/22/93	11,779.91
372104	Fiord #1	ARCO Alaska Inc. (UTP)	02/09/93 (18)	\$1,811,218.84
		ARCO Alaska Inc.	03/04/93	191,018.62
372006	Tulaga #1	ARCO Alaska Inc.	03/25/93 (19)	\$1,241,177.00
355011	Jones Island #1	ARCO Alaska Inc.	07/12/93	\$2,160,000.00
		ARCO Alaska Inc. (UTP)	07/20/93 (20)	1,910,175.00
375133	Cascade Well #1	BP Exploration (AK) Inc	04/04/94 (21)	\$893,245.73
375061	Yukon Gold #1	BP Exploration (AK) Inc	08/08/94 (22)(23)	\$2,394,546.77
		Union Oil Co. of Cal (H)	08/23/94 (24)	487,240.46
TOTAL EICs GRANTED TO-DATE:				\$54,692,614.64

- (1) Hunt's EIC balance reduced through a commissioner's decision dated March 18, 1998. Hunt made a subsequent payment in April 1998.
- (2) Colville Delta wells were settled through the Colville Delta EIC settlement agreement dated 12/31/98.
- (3) Amerada Hess EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/29/99.
- (4) Texaco's EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/28/99.
- (5) Maxus' EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/26/99.
- (6) Rosewood's EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/7/99.
- (7) Amerada Hess EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/29/99.
- (8) Texaco's EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/28/99.
- (9) BP's EIC balance reduced through an EIC settlement agreement and subsequent payment on 12/31/98.
- (10) Union Texas' EIC balance reduced through an EIC settlement agreement and subsequent payment on 1/29/99.
- (11) ARCO and Amerada's EIC balances reduced through an EIC audit and subsequent payment in February 1997.
- (12) Conoco's EIC balance reduced through an EIC audit and subsequent payment in March 1997.
- (13) Conoco's EIC balance reduced through an EIC audit and subsequent payment in July 1997.
- (14) \$125,190.33 of EIC expired for Petrofina on March 31, 1996.
- (15) ARCO's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (16) ARCO's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (17) ARCO's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (18) ARCO's EIC balance increased through an EIC audit and subsequent payment in December 1997.
- (19) Union Texas (ARCO) EIC balance reduced through an EIC audit and subsequent payment on 8/18/98.
- (20) Union Texas (ARCO) EIC balance reduced through an EIC audit and subsequent payment on 8/18/98.
- (21) BP's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (22) BP's EIC balance reduced through an EIC audit and subsequent payment in December 1997.
- (23) BP's EIC balance reduced through an EIC audit and subsequent payment on 12/31/98.
- (24) Union's EIC balance reduced through an EIC audit and subsequent payment in July 1998.

Source: Alaska Department of Natural Resources, Division of Oil and Gas

