

# FIVE-YEAR OIL AND GAS LEASING PROGRAM

With Reports On:  
Exploration Licensing  
And  
Shallow Gas Leasing

March 2004



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

Gulf Point McIntyre #1 Well. Oil Field Production Facilities  
on the North Slope of Alaska.

Photo by Steve Schmitz  
AK Division of Oil & Gas

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# STATE OF ALASKA

## FIVE-YEAR OIL AND GAS LEASING PROGRAM

With Reports On:  
Exploration Licensing  
And  
Shallow Gas Leasing

Frank H. Murkowski  
Governor

Thomas E. Irwin  
Commissioner  
Department of Natural Resources

March 2004

Prepared for the Second Session  
Twenty Third Alaska Legislature



## TABLE OF CONTENTS

Introduction.....	1
Areawide Leasing .....	2
Leasing Methods and Exploration Incentive Credits .....	6
Qualifications for Bidding .....	10
Exploration Licensing .....	12
Shallow Natural Gas Leasing .....	14
State of Alaska Five-Year Oil and Gas Leasing Program .....	17
North Slope Foothills Areawide Sales .....	20
Cook Inlet Areawide Sales .....	22
North Slope Areawide Sales.....	26
Beaufort Sea Areawide Sales .....	28
Alaska Peninsula Areawide Sales.....	30
Oil and Gas Lease Sale Results, 2002 and 2003.....	33
State Competitive Sale Areas .....	48
Summary of State Competitive Lease Sales .....	50
DIVISION WEBSITE SITE MAP.....	On Inside Back Cover



## INTRODUCTION

**O**il and gas lease sales are the initial step in a process that generates nearly 80 percent of the state's income. The 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 program is updated annually and is available on the Division of Oil and Gas website. This document presents DNR's proposed lease sales for 2004 through 2008.

The Five-Year Oil and Gas Leasing Program provides a stable and predictable schedule of proposed lease sales, which, if held, could result in the further development of Alaska's petroleum resources. The petroleum industry has come to rely on this program to plan for exploration and development expenditures. Business and labor use the program to prepare for the resultant economic opportunities.

Although the primary purpose of leasing state lands is to provide for oil and gas development and the subsequent economic benefits<sup>1</sup>, the program in itself has been a significant revenue source. During 2003 123 lease tracts were sold in four sales, resulting in \$6.5 million in bonus bid income to the state. A report on the results of these sales begins on page 33.

All lease sales since 1959 are listed in "Summary of State Competitive Lease Sales" (page 50). A brief description of lands included in each sale is found in "State Competitive Sale Areas" (page 48).

**Sale Areas:** A total of 24 lease sales are scheduled over the next five years – 10 on the North Slope, 5 in Cook Inlet, 5 in the Beaufort Sea and, beginning in 2005, 4 on the Alaska Peninsula. Fact sheets and maps describing these proposed sale areas begin on page 20.

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<sup>1</sup> As a result of oil and gas revenue from bonus bids, rentals, and royalty payments (including federal shares), and settlements during Fiscal Year 2003, approximately \$839.0 million were deposited into the General Fund, \$393.8 million into the Permanent Fund, \$6.2 million into the School Fund, and \$1.4 million into the Constitutional Budget Reserve Fund

## AREAWIDE LEASING

To achieve stability and predictability in the leasing program, and in response to industry's request for more frequent sales, the state has implemented annual areawide leasing. Under areawide leasing the state annually offers for lease all available state acreage within the North Slope, Beaufort Sea and Cook Inlet areas, and has added sales on the Alaska Peninsula. Conducting annual areawide sales allows companies to fiscally plan for and develop their exploration strategies and budgets years in advance. The result is more efficient exploration, leading to earlier development. The state's first areawide sale was conducted on the North Slope in June 1998. Since then, the state has conducted 18 areawide sales.

### Administrative Process

Areawide leasing necessitated changes to DNR's administrative process prior to and following a sale. Previously, industry was asked to nominate areas to include in a sale, and DNR sought public comment on the proposed sale areas being considered for addition to the program. Since areawide leasing includes all available state acreage within each geographic region, there is no longer a need for industry nominations. Additionally, since the sale area within each region remains the same, it is no longer necessary to solicit public comment on the inclusion of these lands prior to issuing the five-year schedule. Prior to each scheduled sale, however, the public is given an opportunity to comment.

DNR has divided each sale area into tracts that will remain fixed for future sales. Because of the large number of tracts involved, the extent of the state's ownership interest in these tracts is no longer determined prior to a sale. Instead, following a sale, DNR verifies title only for the acreage within tracts that are leased. Therefore, should a potential bidder require title or land status information for a particular tract prior to the sale, it is the bidder's responsibility to obtain that information from DNR's public records. Land records are maintained at the department's Public Information Center, located in Suite 1260 at 550 West 7<sup>th</sup> Ave., Anchorage [(907) 269-8400]. A tract may contain land that the state cannot legally lease (i.e., part of an existing lease; federal, Native or private land; etc.). DNR assigns an acreage figure to each tract, which in many cases will be higher than the actual acreage available, and the bonus bid must reflect that assigned acreage. Once title has been verified, bids will be adjusted to reflect the actual acreage and the lease will be issued. Depending upon the number of tracts involved and the complexity of the land holdings, it could take several months following the lease sale before all of the leases are conveyed.

The lease sale consists of a public opening and reading of sealed bids received by DNR. The highest qualified bidder on a tract is awarded that lease.

### Best Interest Finding Process

To facilitate areawide leasing, in 1996 the Alaska State Legislature passed legislation establishing that a best interest finding developed for a lease sale would be valid for ten years. Previously, a finding was good for only five years. Once a finding for an area is written, DNR can conduct lease sales in that area for ten years, without having to repeat the entire process. Even though the public process for individual sales is different, depending on whether a finding is required or whether the sale is conditioned upon a previous finding, areawide leasing still provides opportunity for public input each year.

**A Finding is Required:** The planning and execution of an oil and gas lease sale that requires a best interest finding is a lengthy process beginning years before a sale, and it involves the participation of a

number of state agencies, with DNR serving as the lead. It also involves federal agencies, industry, local communities, environmental organizations and the public.

DNR researches and analyzes social, economic, environmental, geological and geophysical information about a sale area and develops a preliminary best interest finding. The preliminary finding describes the sale area and discusses the potential effects that may occur as a result of oil and gas exploration, development, production and transportation. It also contains mitigation measures to be imposed as plans of operation permit terms designed to reduce or eliminate these effects. The preliminary finding is published approximately nine months before the sale and is followed by a public comment period of at least 60 days. During the public comment period, DNR may conduct workshops or hold public meetings in one or more of the affected communities. Local boroughs and municipalities may also conduct hearings, which division personnel will attend. Comments received during the comment period help in developing a final finding that includes a decision as to whether or not the sale is in state's best interests. DNR releases the final finding and decision at least 90 days before a scheduled sale.

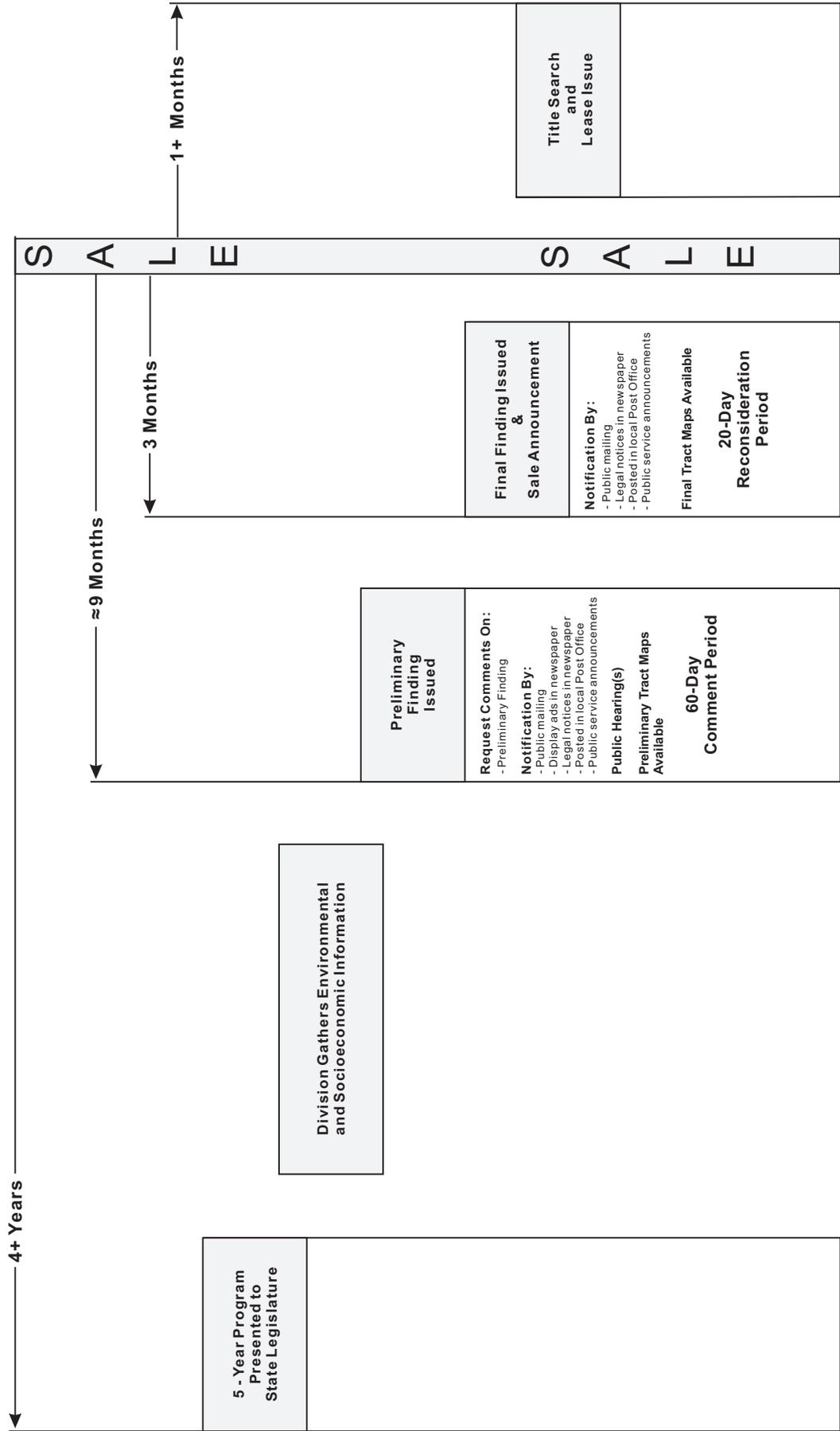
Concurrent with a best interest finding, DNR analyzes a proposed lease sale for consistency with the Alaska Coastal Management Program (ACMP) and the local coastal management plans. The ACMP consistency analysis is published with the preliminary finding; the final ACMP consistency determination is issued concurrently with the final finding

**A Finding is Not Required:** Approximately nine months before a sale, DNR issues a "Call for Comments" requesting any substantial new information that has become available since the most recent finding for that region was completed. Based on the information received, DNR determines whether or not it is necessary to issue a supplement to the finding. DNR then issues either a supplement or a decision that there is no new information requiring a supplement 90 days prior to a sale.

Mitigation measures from earlier leases will be carried forward to all future sales unless DNR deems it necessary to change some of the measures or add additional ones. A new coastal management consistency review will be done whenever the commissioner determines that new information or conditions suggest a proposed lease sale may no longer be consistent with ACMP standards.

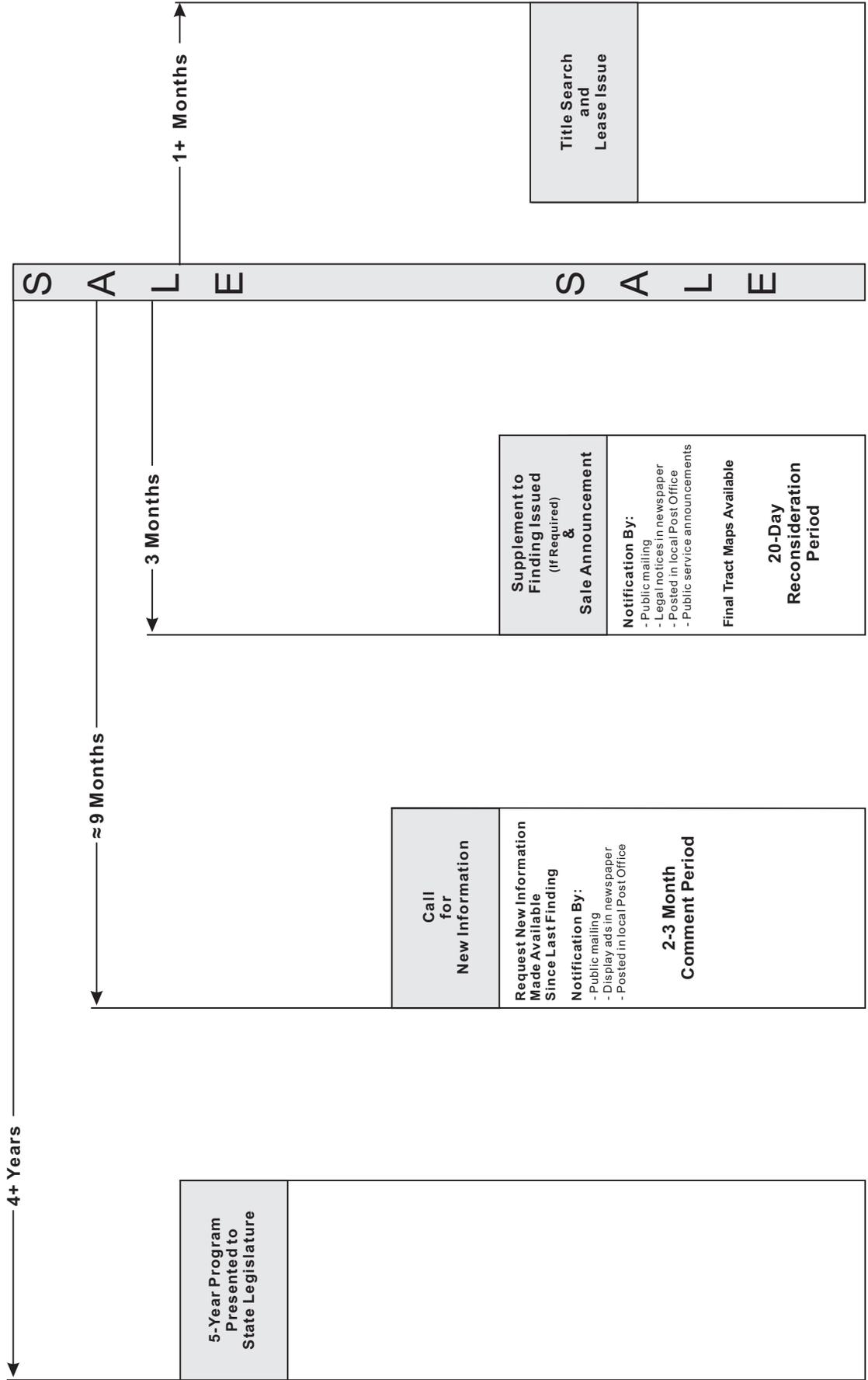
# OIL & GAS LEASE SALE PUBLIC NOTIFICATION PROCESS

(When Finding is Required)



# OIL & GAS LEASE SALE PUBLIC NOTIFICATION PROCESS

(When Finding is Not Required)



## **LEASING METHODS AND EXPLORATION INCENTIVE & TAX CREDIT PROGRAMS**

### **Leasing Methods:**

Alaska has several leasing method options designed to encourage oil and gas exploration and maximize state revenue. 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 others have been as high as 20 percent. A sliding scale royalty has also been used on occasion. Lease terms are set at 7 or 10 years, depending on geographical location.

### **Exploration Incentive Credit (EIC) & Tax Credit Programs:**

**AS 38.05.180(i):** This statute authorizes the Commissioner of Natural Resources to establish an EIC system under which a lessee drilling an exploratory well on state-owned land may earn credits based upon the footage drilled and the region in which the well is located. This EIC must be designated by the Commissioner as a lease sale term. Drilling information is held confidential for two years. If demonstrated by the lessee as necessary, confidentiality may be extended. The statute also provides for an EIC for geophysical work on state land, 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 following the sale. Credits are granted by the commissioner for a limited period and may be assigned. A credit may not exceed 50 percent of the cost of the drilling or geophysical work. 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 twenty exploratory wells qualifying for credit have been drilled on state leases. Lessees have claimed credits totaling approximately \$54.7 million. There have been no applications for geophysical EICs.

**AS 41.09.010:** This program was adopted in 1994, and allows the Commissioner of Natural Resources to grant an EIC for exploratory drilling, the drilling of a stratigraphic test well and for geophysical work on land in the state, regardless of whether the land is state-owned. This program is designed to encourage oil and gas exploration within remote parts of the state and to provide a means for the state to obtain exploration data from federal lands and certain private lands. As with the first program, credits may be applied against oil and gas royalties and rentals payable to the state, or taxes payable under AS 43.55, or they may be assigned. Data derived from drilling will be kept confidential for two years, but no extensions are allowed. Copies of geophysical data may be shown to interested parties by the state but may not be transferred to third parties. Credits may be as high as 50 percent of eligible costs if performed on state land, and as high as 25 percent of eligible costs if performed on private or federal land. A credit may not exceed \$5 million per eligible project, and the total of all credits issued under this program may not exceed \$30 million. Drilling credits are based upon the footage drilled. All activity qualifying for this EIC must be completed by July 1, 2007.

**AS 43.55.025:** This program was adopted in 2003, and allows for a production tax credit of 20 percent of the cost of an exploratory well if the bottom hole location is three or more miles from the bottom hole location of a preexisting well that was spud more than 150 days, but less than 35 years, prior to the spud date of the eligible exploration well, and 40 percent of the cost of an exploratory well if the bottom hole location is at least 25 miles from the boundary of any unit under a plan of development as of July 1, 2003. The program also offers seismic exploration tax credits of 40 percent of eligible costs for those portions of activities outside of a unit that is under a plan of development or plan of exploration. Seismic data qualifying for this credit will be held confidential for 10 years and 30 days. This tax credit is transferable. This program expires on July 1, 2007.

**AS 43.020.043:** This program was adopted in 2003, and is applicable only to operators and working interest owners engaged in exploration for and development of gas resources and reserves south of 68 degrees North latitude. The program allows for a 10 percent tax credit equivalent of qualified capital investments made after June 30, 2003, and 10 percent of the annual cost of activity in the state during each tax year. The total allowable yearly tax credit may not exceed 50 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, 2013.

**Royalty Reduction:** The state also allows for royalty reduction under certain circumstances. These reductions are explained in AS 38.05.180(f)(5) and AS 38.05.180(j).

**EXPLORATION INCENTIVE CREDITS**

**AS 38.05.180(i)**

Report Month: October 2003

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

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

## **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 must also 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 7<sup>th</sup> Avenue, Suite 800, Anchorage, Alaska 99501-3510. 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**

Individuals must submit a signed, dated statement that includes the applicant's name, address, 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).

Forms may be obtained from the division upon request 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 (11 AAC 82.205(a)(2)).

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 address 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 Certificate of Compliance for those corporations qualified to do business in Alaska,

-or-

- 5) if filing for the first time, either a Certificate of Incorporation from those corporations which have been incorporated in the state of Alaska (also known as “domestic” corporations), or a Certificate of Authority from those corporations which have been incorporated outside the state of Alaska (also known as “foreign” corporations).

These documents may be obtained from:

Alaska Department of Commerce and Economic Development  
Division of Banking, Securities and Corporations  
Attention: Corporations Section  
9th Floor, State Office Building  
P. O. Box 110807  
Juneau, AK 99811-0907  
(907) 465-2530

-or-

Alaska Department of Commerce and Economic Development  
Division of Banking, Securities and Corporations  
3601 C Street, Suite 724  
Anchorage, AK 99503-5986  
(907) 269-8140

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 must submit

- 1) a statement describing the business relationships between members of the association or partnership,
  - 2) a statement of qualifications for each member of the association or partnership (outlined in Section A),
- and/or-
- 3) if some or all of the members are incorporated entities, all information required for corporations (described in Section B) must also be submitted, and 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 or association.

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.

### Sources

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

### Further Information

Should you have any further questions regarding qualifying for Alaska oil and gas leases, please contact Alaska Division of Oil and Gas, 550 West 7<sup>th</sup> Avenue, Suite 800; Anchorage, Alaska 99501-3560. Phone number (907) 269-8810.

## EXPLORATION LICENSING

Exploration Licensing supplements the state's oil and gas leasing program and encourages oil and gas exploration within remote areas of the state outside of the known oil and gas provinces -- the North Slope, Beaufort Sea and Cook Inlet. The holder of an exploration license has the exclusive right to explore an area between 10,000 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 conventional leasing, a licensee must commit direct expenditures for exploration. If there is competition for a license, the party committing the most dollars to exploration is granted a license. Since there are no annual rental payments for a license, the only money guaranteed the state is a \$1 per acre licensing fee, which is paid upon acceptance. The state is, however, provided all of the geological and geophysical information acquired by the licensee, and so can gain a better understanding of an area's resource potential.

Once the work commitment is met, the licensee may convert all or a portion of the license area into oil and gas leases. 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 12-1/2 percent.

### **Five-Year Licensing Program**

In 2003 the department solicited licensing proposals for the northern portion of the Bristol Bay basin areas. In addition, the department will accept all proposals for consideration that are submitted during the month of April of each year, as specified in 11 AAC 82.909. Areas not eligible for licensing are specified in AS 38.05.131.

### **LICENSES ISSUED**

<b><u>Location</u></b>	<b><u>Licensee</u></b>	<b><u>Acres</u></b>	<b><u>Work Commitment</u></b>	<b><u>Effective Date</u></b>	<b><u>Term</u></b>
Copper River Basin	Forest Oil Corp.	318,756	\$1,420,000	10/1/2000	5 Yrs
Nenana Basin	Andex Resources	482,942	\$2,525,000	10/1/2002	7 Yrs
Susitna Basin No. 1	Forest Oil Corp.	386,207	\$2,520,000	11/1/2003	7 Yrs
Susitna Basin No. 2	Forest Oil Corp.	471,474	\$3,000,000	11/1/2003	7 Yrs

### **LICENSE PROPOSAL**

<b><u>Location</u></b>	<b><u>Licensee</u></b>	<b><u>Acres</u></b>	<b><u>Proposed Work Commitment</u></b>	<b><u>Term</u></b>
Bristol Bay Basin	Bristol Shores, LLC	TBD	\$3,200,000	TBD



## SHALLOW NATURAL GAS LEASING

Alaska's Shallow Natural Gas Leasing Program is designed to encourage the development of local sources of gas from underdeveloped areas of the state. The Division of Oil and Gas is authorized to issue non-competitive leases for the exploration and development of shallow natural gas reservoirs, including coal-bed methane, at least some portion of which is located within 3,000 feet of the surface.

To encourage participation, no bonus payment is required, though there is a \$5,000 filing fee. The annual rental payments are set at \$1 per acre. Lease terms are for three years with automatic extensions for as long as production continues. The royalty rate payable to the state was set at 6-1/4 percent unless production is in direct competition with other gas; in which case the royalty rate is 12-1/2 percent. A shallow natural gas lease contains up to 5,760 acres (nine square miles), and a single lessee may not hold more than a total of 138,240 acres (six townships) under this program. The leasing of state lands for the purpose of exploring for and producing shallow natural gas is exempt from a best interest finding.

Because a shallow natural gas lease excludes exploration of formations located entirely beneath the 3,000-foot level, the \$1 million financial responsibility bond that is required for conventional oil and gas lease operations has been reduced. All other DNR and AOGCC bonding requirements remain the same.

If a shallow natural gas well penetrates a formation capable of producing, and that formation is entirely beneath the 3,000-foot level, or if the well penetrates a formation capable of producing oil, operations must cease until the lessee complies with all applicable laws and regulations relating to conventional oil and gas exploration and production.

Lands subject to an oil and gas exploration license, or included in the state's Five-Year Oil and Gas Leasing Program are not eligible for a shallow natural gas lease. Additionally, if land is held under a coal lease, only the coal lessee may apply for a shallow natural gas lease on those lands.

### **Five-Year Program**

Through 2008, the department, in accordance with AS 38.05.177, will not solicit shallow gas lease proposals, nor schedule areas for shallow gas leasing. Rather, the department will continue to accept and process all proposals received.

### **2003 Activity**

The division received 25 shallow gas lease applications during 2003, all of which are pending. The SNG program is being reevaluated by both ADNR and the State Legislature, and as a result, changes to or elimination of the program may occur during 2004.

#### **ACTIVE SHALLOW GAS LEASES**

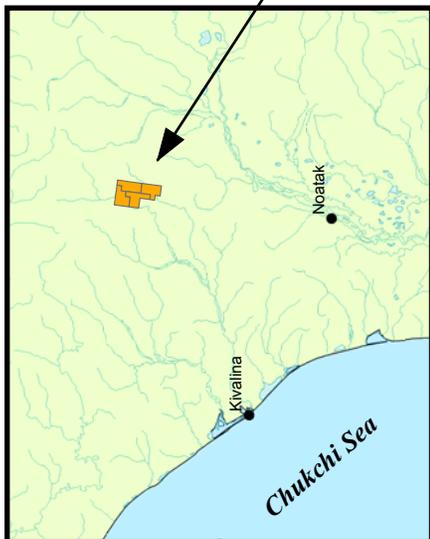
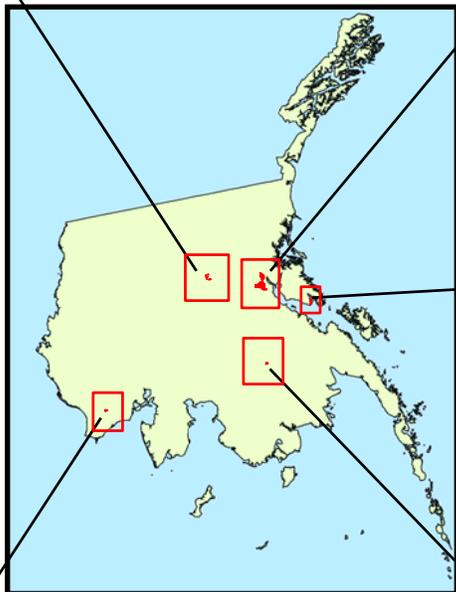
<b><u>Location</u></b>	<b><u>No of Leases</u></b>	<b><u>Acres</u></b>	<b><u>Year Issued</u></b>
Northwest Alaska	4	23,040	2000
Mat-Su Valley	60	229,609	2003
Southern Kenai	8	22,637	2003

#### **PENDING SHALLOW GAS LEASES**

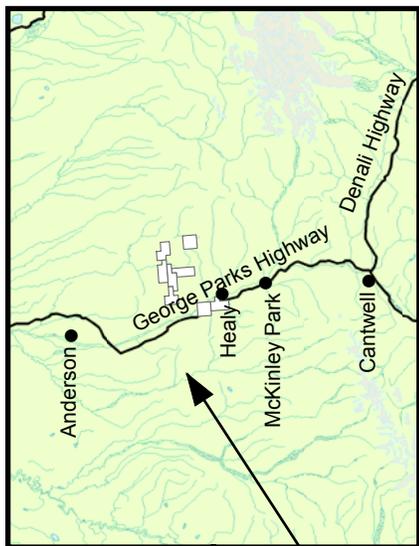
<b><u>Location</u></b>	<b><u>No of Leases</u></b>	<b><u>Acres</u></b>
Mat-Su Valley	13	TBD
Healy Area	8	TBD
Holitna Basin	5	TBD

# Shallow Natural Gas Leases

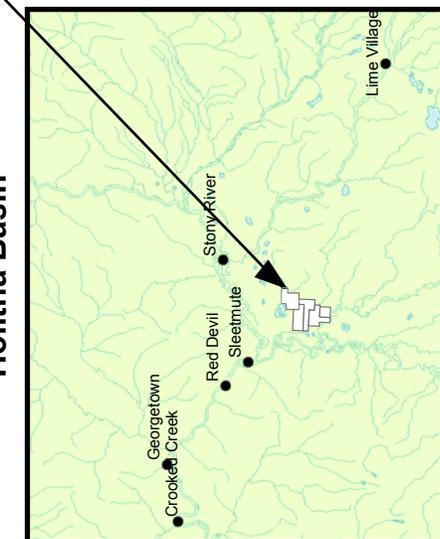
- Issued Leases
- Applications



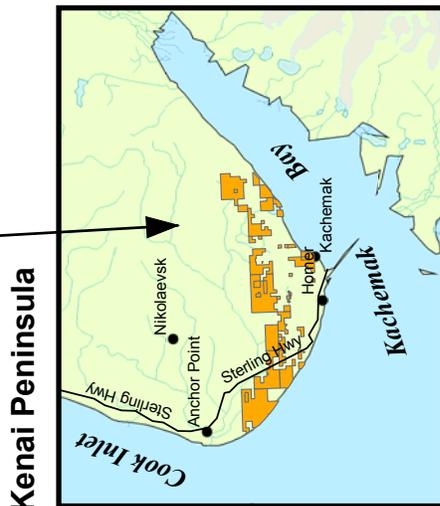
**Red Dog**



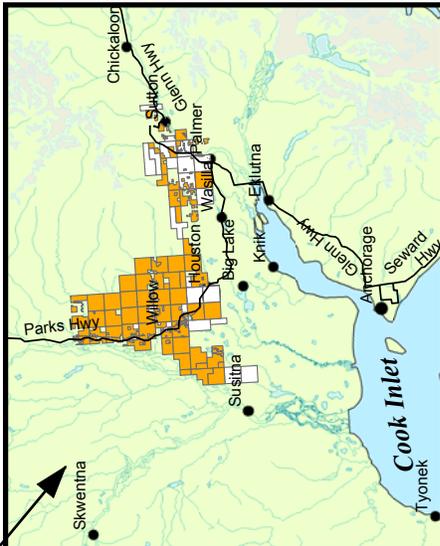
**Healy**



**Holiina Basin**



**Kenai Peninsula**



**Mat-Su**

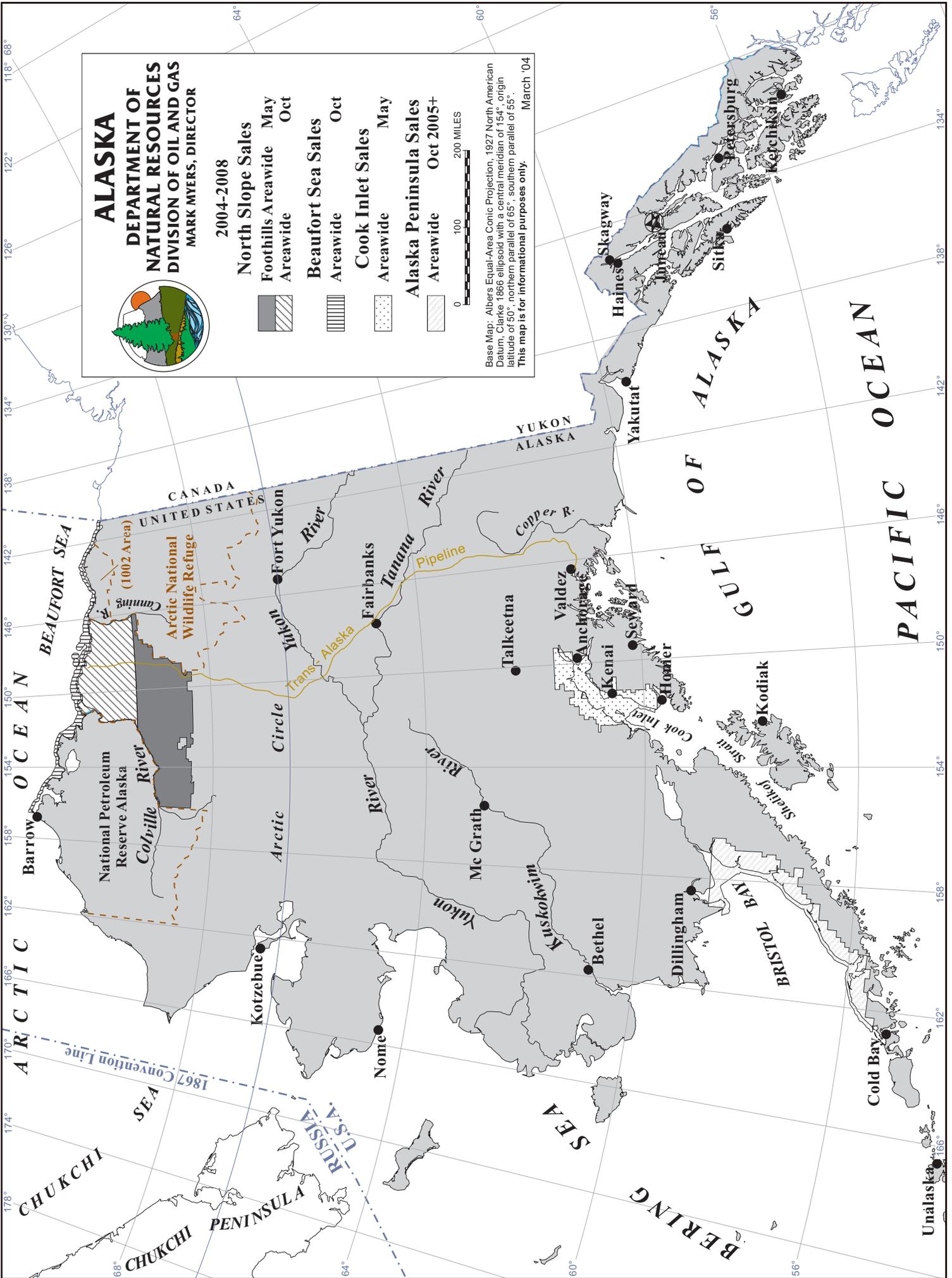


**STATE OF ALASKA  
FIVE-YEAR OIL AND GAS LEASING PROGRAM**

**2004 through 2008**

<b><u>Sale</u></b>	<b><u>Annually Held In</u></b>
<b>North Slope Foothills Areawide</b>	<b>May</b>
<b>Cook Inlet Areawide</b>	<b>May</b>
<b>North Slope Areawide</b>	<b>October</b>
<b>Beaufort Sea Areawide</b>	<b>October</b>
<b>Alaska Peninsula Areawide</b>	<b>October (beginning in 2005)</b>

# ALASKA OIL AND GAS LEASING PROGRAM





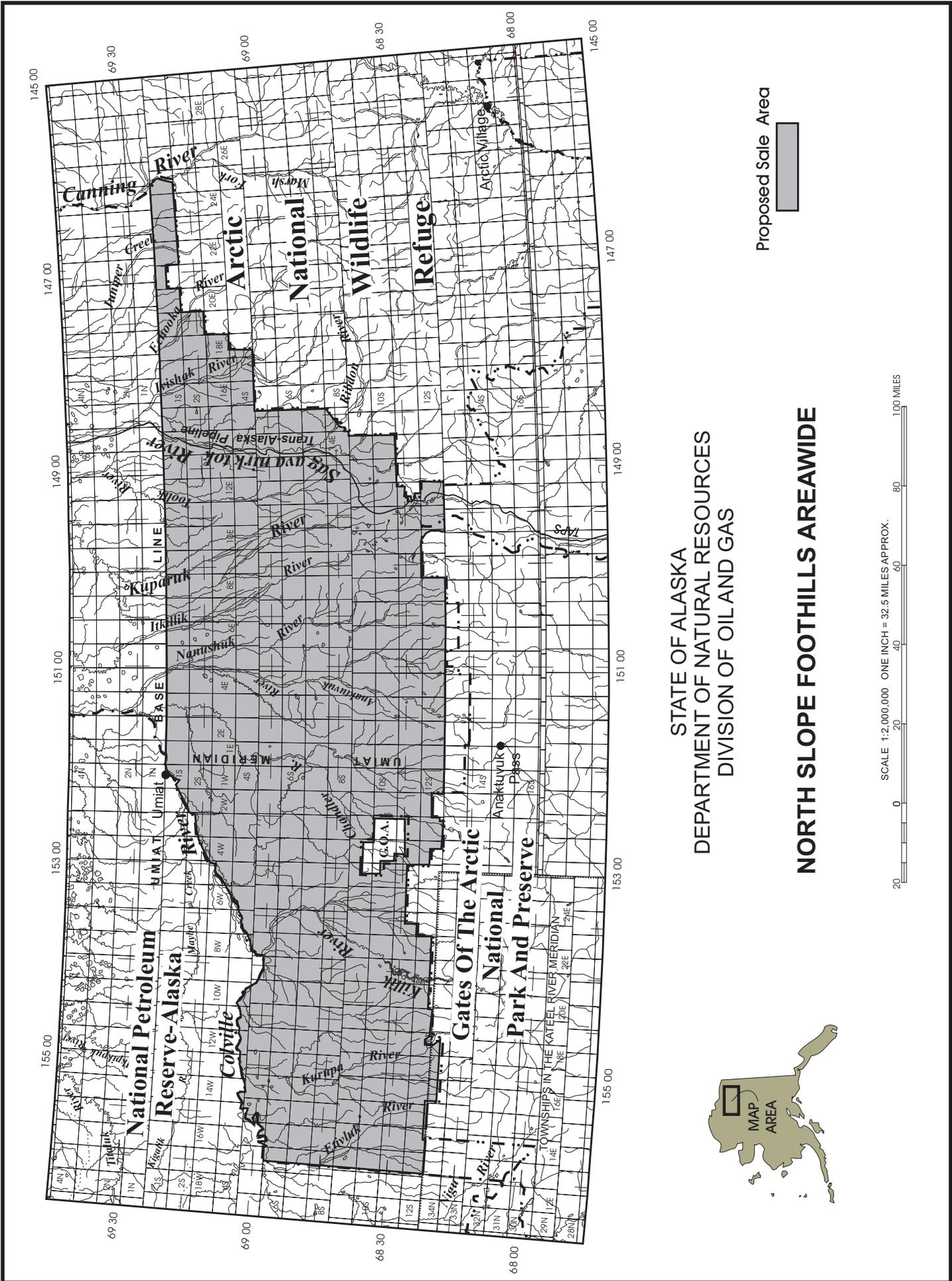
March  
2004

# FIVE-YEAR OIL AND GAS LEASING PROGRAM PUBLIC NOTIFICATION SCHEDULE

ALASKA  
DEPARTMENT OF  
NATURAL RESOURCES  
DIVISION OF OIL & GAS

Proposed Sale Area & Date	2004												2005												2006												2007												2008											
	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
North Slope Foothills Areawide 2004 May	F	S																																																										
Cook Inlet Areawide 2004 May	F	S																																																										
North Slope Areawide 2004 Oct																																																												
Beaufort Sea Areawide 2004 Oct																																																												
North Slope Foothills Areawide 2005 May																																																												
Cook Inlet Areawide 2005 May																																																												
North Slope Areawide 2005 Oct																																																												
Beaufort Sea Areawide 2005 Oct																																																												
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North Slope Areawide 2008 Oct																																																												
Beaufort Sea Areawide 2008 Oct																																																												
Alaska Peninsula Areawide 2008 Oct																																																												

A = Sale Added to Schedule.  
 C = Call for Comments;  
 Request for New Information Made Available Since Last Finding.  
 E = End of Comment Period.  
 F = Final Finding and Notice of Sale and Terms.  
 P = Preliminary Best Interest Finding/  
 ACMP Consistency Analysis.  
 S = Supplement to Final Finding and/or Notice of Sale and Terms.  
 S = Sale.  
 Public Process = C-E F S  
 Visit our Website at "www.dog.dnr.state.ak.us"

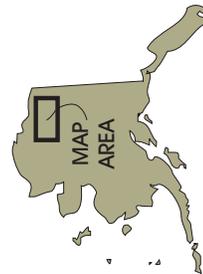


STATE OF ALASKA  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL AND GAS

Proposed Sale Area



**NORTH SLOPE FOOTHILLS AREAWIDE**



SCALE 1:2,000,000 ONE INCH = 32.5 MILES APPROX.



## North Slope Foothills Areawide Lease Sales

Annually Held in May

**Description of Sale Area:** These five areawide sales will consist of all unleased, state-owned lands lying between the National Petroleum Reserve-Alaska (NPRA) 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 proposed sale area is in excess of 7,000,000 acres and is divided into 1392 tracts. A significant amount of acreage within the sale area has only been selected by the state under the Alaska State Act. Certain ANCSA native village and regional corporations have also selected this acreage. The ultimate availability of this acreage for leasing by the state will depend on the outcome of the Bureau of Land Management's adjudication of the competing selections.

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

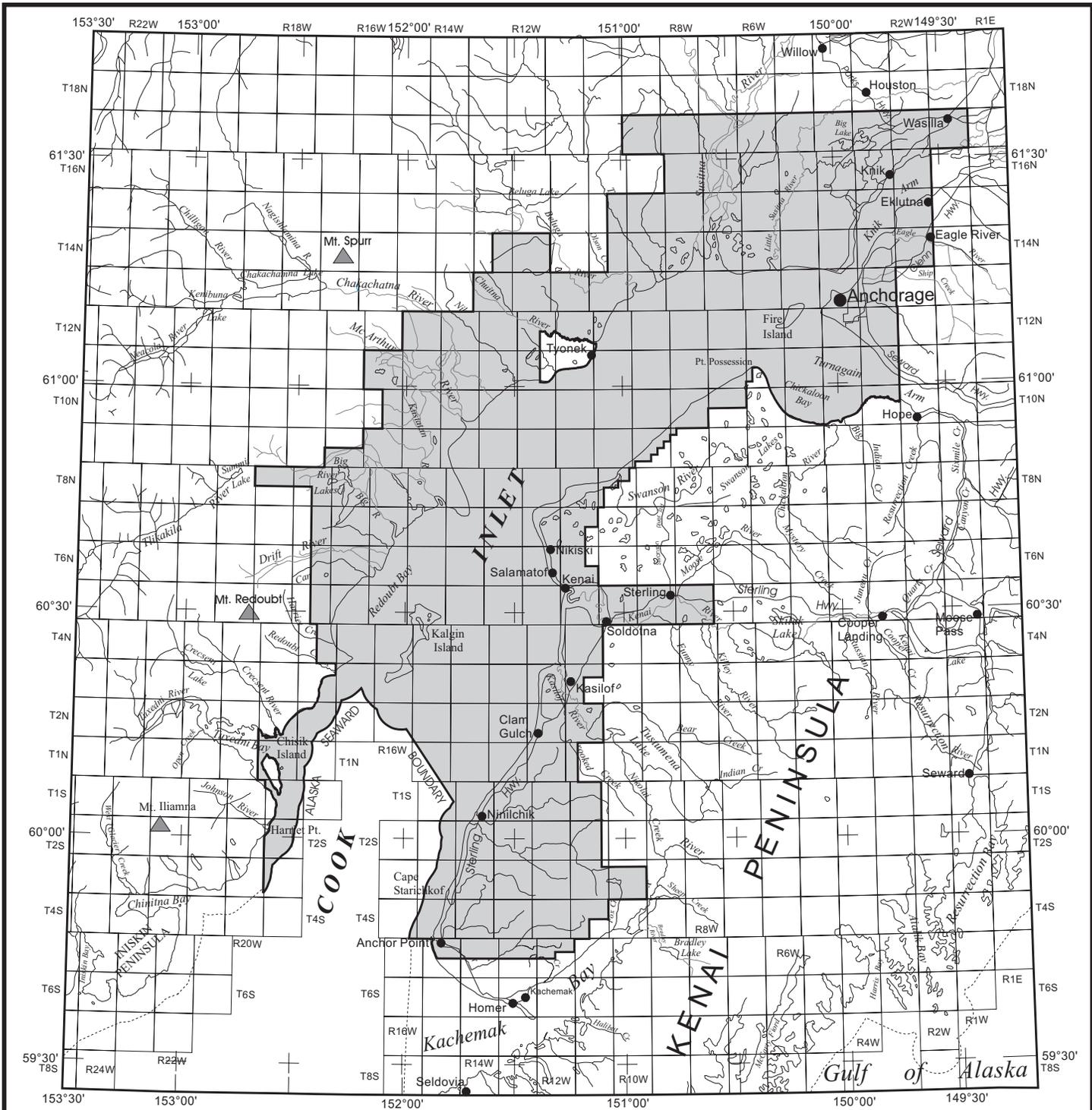
**Other Resource Issues:** Four caribou herds utilize the proposed sale area: the Western Arctic Herd, Central Arctic Herd, the Teshekpuk Lake Herd and the Porcupine Caribou Herd. Caribou use the proposed sale area as winter range and travel along the river drainages and mountain passes to their summer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

The riparian habitats found within the sale area are important to a variety of species such as moose, grizzly bears, and arctic peregrine falcons. Some of the higher mesa or butte areas are used for lambing and mineral licks by Dall sheep. Major river valleys, where willow stands are most abundant, provide valuable moose habitat. Moose concentrate in these areas throughout the year, with peak use occurring during winter. Grizzly bears are frequently associated with riparian habitats in the area, especially in the spring and fall. Arctic peregrine falcons nest along several of the rivers in the proposed sale area. Residents of Anaktuvuk Pass are the most frequent users of fish and wildlife in the sale area; however, Barrow and Nuiqsut residents occasionally harvest species in the area.

**Community Information:** Portions of the proposed 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, which includes the borough's 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 proposed sale area.

<b>Community</b>	<b>Municipal Classification</b>	<b>Population (2000)</b>
North Slope Borough	Home rule borough	9,430
Prudhoe Bay/Deadhorse	Unincorporated	5
Nuiqsut	Second class city	433
Anaktuvuk Pass	Second class city	282

**Status of Sale:** No decision has been made on whether these sales will be held. Approximately nine months prior to each proposed lease sale the division will issue a request for new information that has become available since the original finding was issued in February 2001. Should the director determine that, based on new information, a supplement to the finding is justified, the supplement, along with the director's decision, will be issued at least 90 days before each sale.



STATE OF ALASKA  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL AND GAS

**COOK INLET AREAWIDE**

Proposed Sale Area



**Cook Inlet Areawide Lease Sales:****Annually Held in May**

**Description of Sale Areas:** These five areawide sales will include unleased, state-owned uplands located in the Matanuska and Susitna Valleys, the Anchorage Bowl, the western and southern Kenai Peninsula from Pt. Possession to Anchor Pt., as well as on the western shore of Cook Inlet from the Beluga River to Harriet Pt. These sales will also include the tide and submerged lands in the upper Cook Inlet from Kink and Turnagain Arms south to Anchor Pt. 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 gross proposed area is about 4,200,000 acres and is divided into 815 tracts.

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

**Other Resource Issues:** The Cook Inlet region is used extensively for commercial, subsistence, and recreational fishing and hunting. Five species of North Pacific salmon are fished commercially throughout Cook Inlet. A number of important anadromous streams are found within the proposed 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. Protected or endangered species known to occur in the sale area include the bald eagle. Under the Endangered Species Act, the Steller sea lion is a threatened species east of 144 degrees longitude and endangered west of 144 degrees longitude.

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

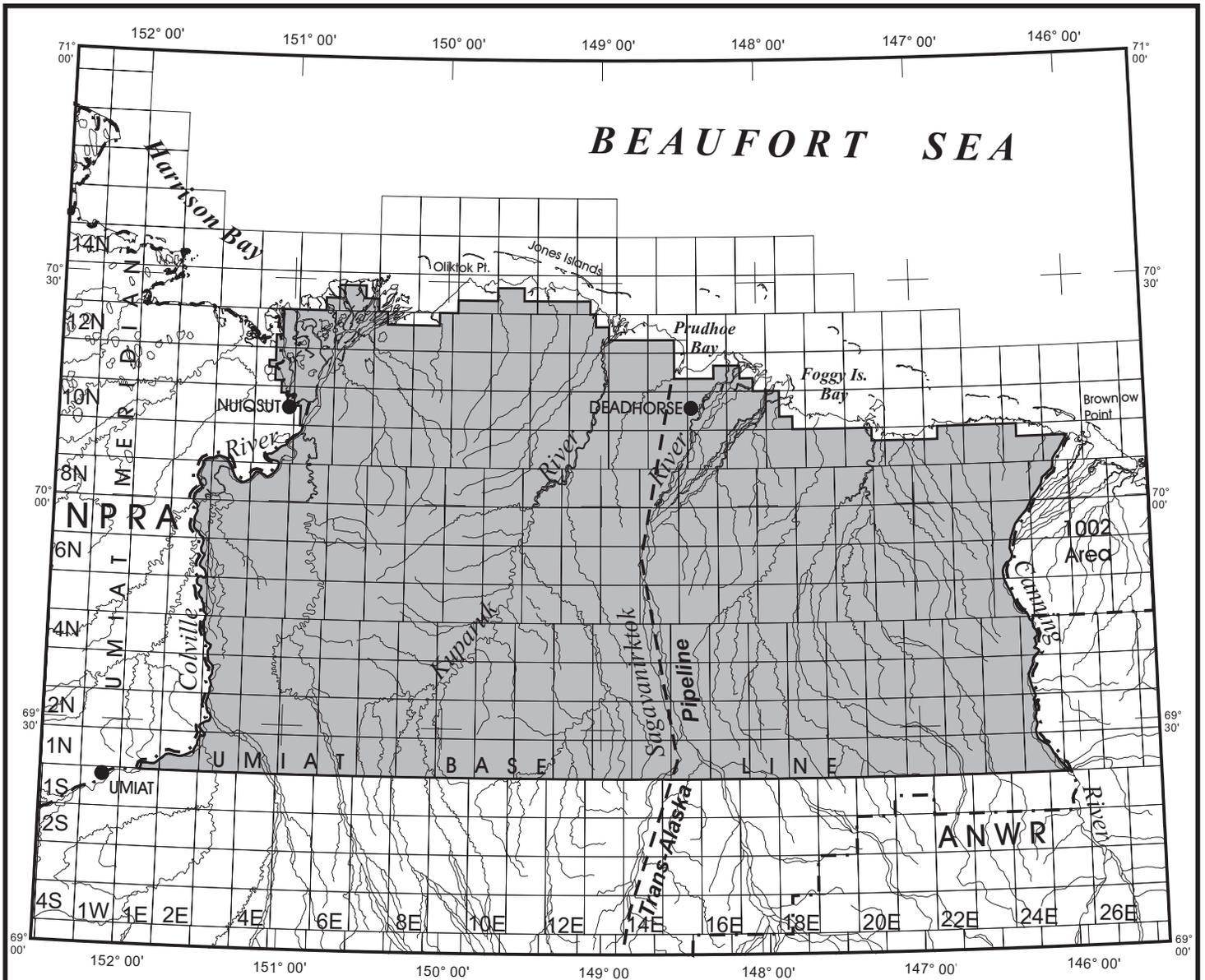
**Community Information:** The proposed sale area is within the boundaries of two boroughs and the Municipality of Anchorage. The Matanuska-Susitna Borough, the Kenai Peninsula Borough, and the Municipality of Anchorage all have approved coastal management plans that are included in the Alaska Coastal Management Program.

<b>Community</b>	<b>Municipal Classification</b>	<b>Population (2000)</b>
Municipality of Anchorage	Unified home rule municipality	260,283
Kenai Peninsula Borough	Second class borough	49,691
Matanuska-Susitna Borough	Second class borough	59,322
Kenai	Home rule city	6,942
Palmer	Home rule city	4,533
Homer	First class city	3,946
Seldovia	First class city & Unincorporated	430
Soldotna	First class city	3,759
Wasilla	First class city	5,469
Houston	Second class city	1,202
Anchor Point	Unincorporated	1,845
Big Lake	Unincorporated	2,635
Clam Gulch	Unincorporated	173
Cohoe	Unincorporated	1,168
Eklutna	Unincorporated	394
Happy Valley	Unincorporated	489
Hope	Unincorporated	137
Kalifonsky	Unincorporated	5,846

<b>Community</b>	<b>Municipal Classification</b>	<b>Population (2000)</b>
Kasilof	Unincorporated	471
Knik-Fairview	Unincorporated	7,049
Nanwalek (English Bay)	Unincorporated	177
Ninilchik	Unincorporated	772
Nikiski	Unincorporated	4,327
Nikolaevsk	Unincorporated	345
Port Graham	Unincorporated	171
Ridgeway	Unincorporated	1,932
Salamatof	Unincorporated	954
Sterling	Unincorporated	4,705
Tyonek	Unincorporated	193

**Status of Sales:** No decision has been made on whether these sales will be held. Approximately nine months prior to each proposed lease sale the division will issue a request for new information that has become available since the original finding was issued in January 1999. Should the director determine that, based on new information, a supplement to the finding is justified, the supplement, along with the director's decision, will be issued at least 90 days before each sale.





STATE OF ALASKA  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL AND GAS

**NORTH SLOPE AREAWIDE**



SCALE 1:1,500,000 ONE INCH = 24 MILES APPROX.  
 20 0 20 40 60 80 MILES  
 Albers Equal-Area Conic Projection Based On The Clark 1866 Ellipsoid Central Meridian: -150.00 Origin Latitude: 50.00

Proposed Sale Areas

**North Slope Areawide Lease Sales:**

**Annually Held In October**

**Description of Sale Area:** These five proposed areawide sales consist of all unleased, state-owned lands lying between the National Petroleum Reserve-Alaska (NPRA) and the Arctic National Wildlife Refuge (ANWR), and from the Beaufort Sea in the north to the Umiat Meridian Baseline in the south. The proposed area contains as much as 5,100,000 acres and is divided into 1225 tracts. The sale area also includes unleased lands within the area of the 1991 settlement agreement between the Arctic Slope Regional Corporation (ASRC) and the state of Alaska. As a result of this agreement, a portion of the subsurface estate along the Colville River is owned jointly by the state and ASRC.

**Hydrocarbon Potential:** Hydrocarbon potential in the area is considered moderate to high.

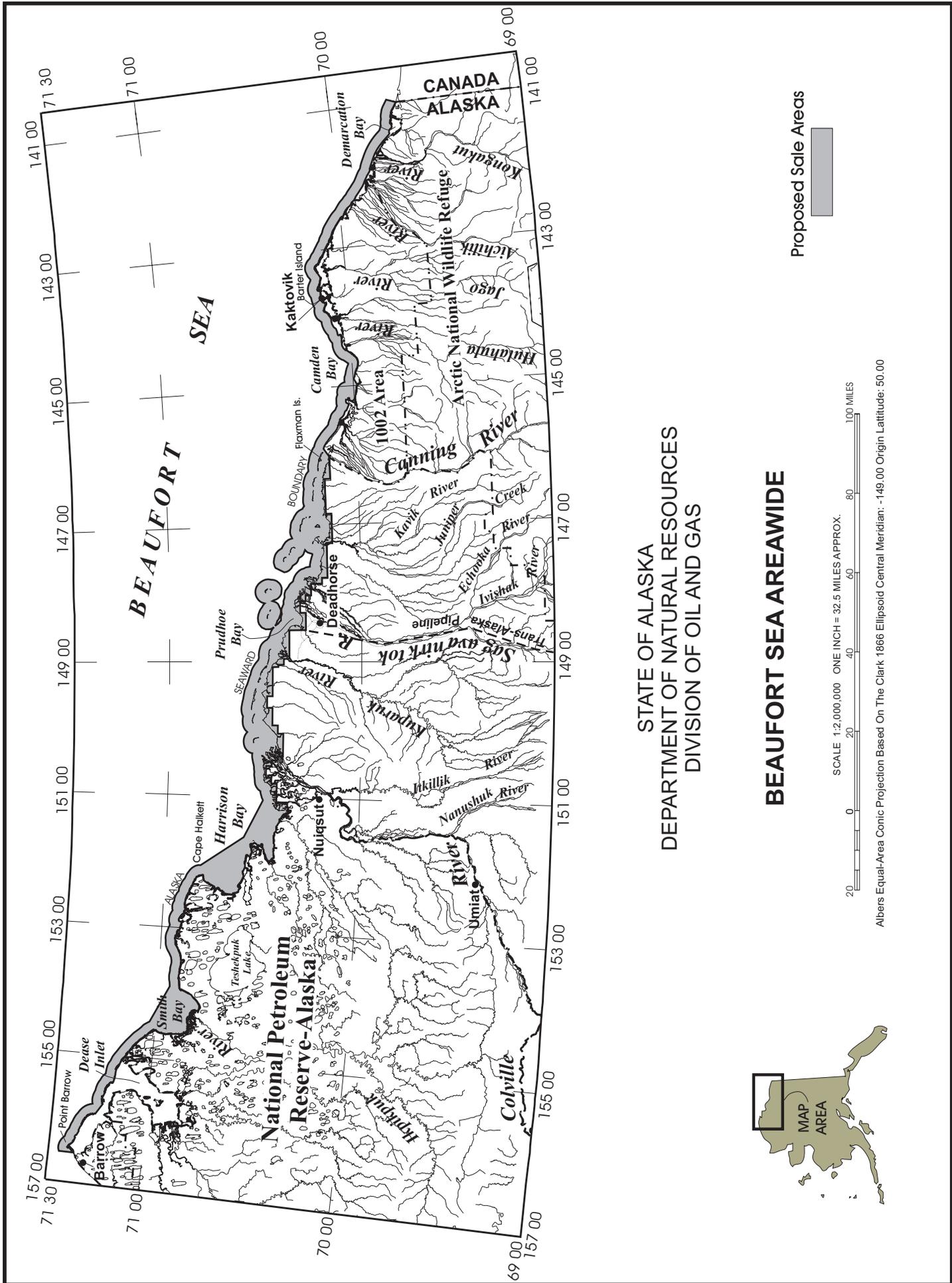
**Other Resource Issues:** The proposed sale area supports a variety of wildlife. Caribou from the Central Arctic Herd and the Teshekpuk Lake Herd utilize parts of the region. Grizzly bears and moose are found along the Colville and Itkillik rivers. Polar bear dens have been documented in the Colville River Delta. Spotted seals haul out on sand bars 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 fish include grayling, burbot, and whitefish. Anadromous fish include arctic char, cisco, whitefish, and salmon. Residents of Nuiqsut and Anaktuvuk Pass use the area for fishing and hunting birds, caribou, and other species.

**Community Information:** Portions of the proposed 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, which includes the borough's 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 proposed sale area.

<b>Community</b>	<b>Municipal Classification</b>	<b>Population (2000)</b>
North Slope Borough	Home rule borough	9,430
Prudhoe Bay/Deadhorse	Unincorporated	5
Nuiqsut	Second class city	433
Anaktuvuk Pass	Second class city	282

**Status of Sales:**

No decision has been made on whether these sales will be held. Approximately nine months prior to each proposed lease sale the division will issue a request for new information that has become available since the original finding was issued in March 1998. Should the director determine that, based on new information, a supplement to the finding is justified, the supplement, along with the director's decision, will be issued at least 90 days before each sale



STATE OF ALASKA  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL AND GAS

**BEAUFORT SEA AREA-WIDE**

Proposed Sale Areas

**Beaufort Sea Areawide Lease Sales:**

**Annually Held in October**

**Description of Sale Area:** The area for these five proposed sales consists of all unleased state-owned tide and submerged lands lying between the Canadian Border and Point Barrow, and some coastal uplands acreage located along the Beaufort Sea between the Staines and Colville Rivers. The gross proposed sale area is in excess of 2,000,000 acres and is divided into 576 tracts. The state of Alaska and the Arctic Slope Regional Corporation own a portion of the subsurface estate offshore of the mouth of the Colville River jointly. The state and agencies within the U.S. Department of the Interior have agreed upon a boundary line between state waters and those within the National Petroleum Reserve – Alaska and an administrative boundary between state waters and the Arctic National Wildlife Refuge.

**Hydrocarbon Potential:** The hydrocarbon potential in the area is considered moderate to high.

**Other Resource Issues:** The marine environment along the Beaufort Sea coast provides denning habitat for polar bears and pupping habitat for ringed seals. Bowhead whales occur in the proposed sale vicinity during the fall migration, and a bowhead whale feeding area has been documented in the Demarcation Point vicinity. Beluga whales may also be found in the general vicinity during the summer. Numerous species of waterfowl, shorebirds, and seabirds migrate along the Beaufort Sea, and nest, stage, and molt in the lagoonal areas. Nearshore waters provide habitat for many marine and anadromous fish species. Caribou, grizzly bear and moose are found along major rivers. Residents of Barrow, Nuiqsut and Kaktovik use the fish and wildlife resources in the area for subsistence. The fall and spring hunts for bowhead whales are especially important to their subsistence needs.

**Community Information:** The proposed sale area lies within the boundaries of the North Slope Borough Coastal Management Program. Oil and gas activities in these areas of the state’s coastal zone must be consistent with the Alaska Coastal Management Program, which includes the borough’s 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 proposed sale area.

<b>Community</b>	<b>Municipal Classification</b>	<b>Population (2000)</b>
North Slope Borough	Home rule borough	9,430
Barrow	First class city	4,581
Atqasuk	Second class city	228
Kaktovik	Second class city	293
Prudhoe Bay/Deadhorse	Unincorporated	5
Nuiqsut	Second class city	433

**Status of Sales:** No decision has been made on whether these sales will be held. Approximately nine months prior to each proposed lease sale the division will issue a request for new information that has become available since the original finding was issued in July 1999. Should the director determine that, based on new information, a supplement to the finding is justified, the supplement, along with the director’s decision, will be issued at least 90 days before each sale



## Alaska Peninsula Areawide Lease Sale

Annually Held in October  
(beginning in 2005)

The proposed Alaska Peninsula Areawide Oil and Gas Lease Sale encompasses a gross area of approximately 5 million acres (3.5 million acres onshore and 1.5 million offshore, within state waters). Only selected tracts of which the state owns all or part of the subsurface mineral estate may be offered. Acreage not owned by the state, clouded by title claims, or withdrawn through a court order will be excluded from the sale. Only those lands free and unencumbered will be included in any lease issued.

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

**Other Resource Issues:** The proposed sale area contains some of the most productive fish and wildlife resources in the state. A wide variety of mammals inhabit the region; caribou, brown bear, moose, Pacific walrus, beluga whale, gray whale, Steller sea lion, harbor seal, and sea otter are the primary species found. The proposed sale 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 there, as well as Dolly Varden, rainbow trout, grayling, burbot, and a variety of other fishes. Fish and wildlife populations in the proposed sale area are harvested extensively for subsistence and sport use, and contribute significantly to the local economy.

**Community Information:** Portions of the sale area lie within the boundaries of the Bristol Bay, Lake and Peninsula and Aleutians East Boroughs and the Dillingham Census Area. The proposed sale must be consistent with the Alaska Coastal Management Program and the local borough district plans.

<b>Community</b>	<b>Municipal Classification</b>	<b>Population (2002)</b>
Aleutians East Borough	2 <sup>nd</sup> class borough	2,729
Bristol Bay Borough	2 <sup>nd</sup> class borough	1,159
Lake and Peninsula Borough	Home rule borough	1,641
Dillingham	1 <sup>st</sup> class city	2,475
Cold Bay	2 <sup>nd</sup> class city	116
Port Heiden	2 <sup>nd</sup> class city	108
Egegik	2 <sup>nd</sup> class city	88
Pilot Point	2 <sup>nd</sup> class city	76
Naknek	Unincorporated	642
King Salmon	Unincorporated	392
South Naknek	Unincorporated	121
Nelson Lagoon	Unincorporated	70
Ugashik	Unincorporated	12

**Status of Sales:** No decision has been made on whether this sale will be held. The Department of Natural Resources is preparing a preliminary best interest finding to determine if the proposed Alaska Peninsula Areawide Oil and Gas Lease Sale is in the states best interests. The preliminary finding and proposed coastal management consistency determinations are tentatively scheduled for August 2004. It will be followed by a 90-day public comment period. The final finding and consistency determination are tentatively scheduled for July 2005. If the proposed sale is found to be in the state's best interests, a sale will be held in October 2005.



## AREAWIDE OIL AND GAS LEASE SALES

### 2002 Final Results

<u>Sale</u>	<u>Date</u>	<u>Acres Leased</u>	<u>High Bonus Bids</u>
North Slope Foothills	May 1	239,386	\$3,427,142
Cook Inlet	May 1	64,923	\$421,841
North Slope	Oct 24	32,319	\$579,728
Beaufort Sea	Oct 24	<u>19,226</u>	<u>\$506,405</u>
<b>Totals:</b>		<b>355,854</b>	<b>\$4,935,116</b>

### 2003 Final Results

<u>Sale</u>	<u>Date</u>	<u>Acres Leased</u>	<u>High Bonus Bids</u>
North Slope Foothills	May 7	5,760	\$36,576
Cook Inlet	May 7	73,869	\$689,949
North Slope	Oct 29	210,006	\$3,586,400
Beaufort Sea	Oct 29	<u>36,995</u>	<u>\$1,358,187</u>
<b>Totals:</b>		<b>326,630</b>	<b>\$ 5,671,112</b>

Individual results of the 2003 sales are reported on the following pages.

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

## North Slope Foothills 2003

*Sale Results Summary*

Date of Sale: 5/7/2003

**Final Report**

6/13/2003

Bidding Method: Cash BonusBid, Fixed Royalty

Total Tracts Sold: 1  
 Total Acres Sold: 5,760.00  
 Minimum Bid Per Acre: \$5.00  
 Royalty: 12.50000 %

Highest Bid: \$36,576.00  
 Tract Number: NSF 2003-0136  
 Submitted By: EnCana Oil & Gas (USA) Inc.

Total Number of Valid Bids: 1  
 Total High Bonus Bids: \$36,576.00  
 Total Exposed (Sum Of All Valid Bids): \$36,576.00  
 Average High Bonus Bid Per Acre: \$6.35

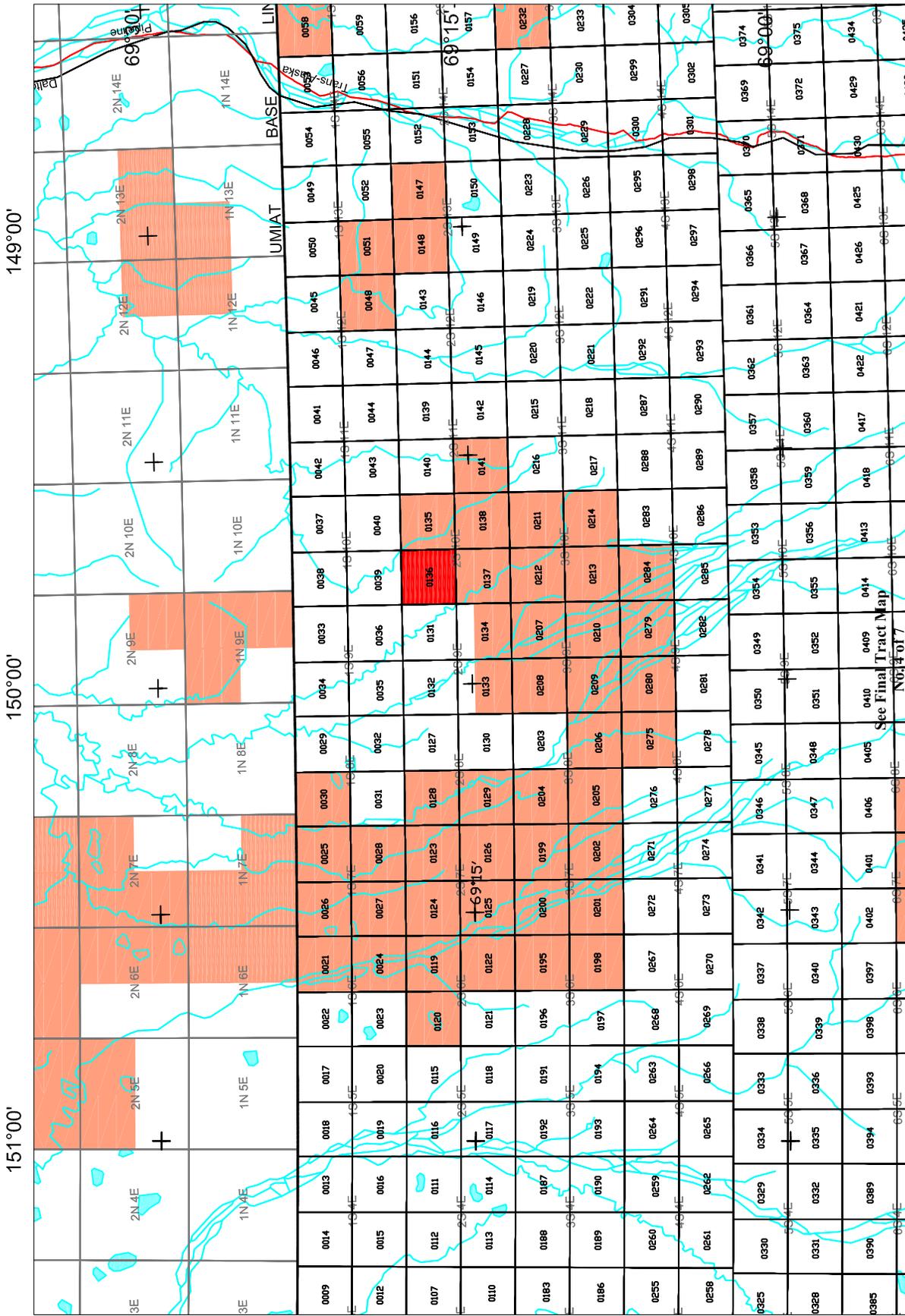
Highest Bid/Acre: \$6.35  
 Tract Number: NSF 2003-0136  
 Submitted By: EnCana Oil & Gas (USA) Inc.

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
EnCana Oil & Gas (USA) Inc.	1	\$36,576.00	1	\$36,576.00
EnCana Oil & Gas (USA) Inc. , 100.00%				

# Oil And Gas Lease Sale North Slope Foothills Areawide Tract Map No. 2 of 7

## Final Sale Results

Apparent High Bidder  
 = EnCana Oil & Gas (USA) Inc.



Scale 1:500,000 150°00' 149°00'



Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 149° 40', origin latitude of 65°, and southern parallel of 55°.

Director, Division of Oil and Gas

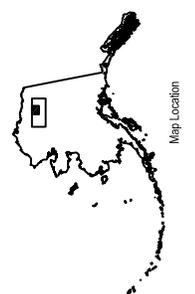
Mark D. Myers

Leasing Manager  
James Hansen

Date:

Date:

Sale Boundary  
 = CURRENTLY LEASED (As of 2/5/03).



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

## Cook Inlet Areawide 2003

*Sale Results Summary*

Date of Sale: 5/7/2003

**Final Report**

8/22/2003

Bidding Method: Cash BonusBid, Fixed Royalty

Total Tracts Sold: 27  
Total Acres Sold: 73,868.95  
Minimum Bid Per Acre: \$5.00  
Royalty: 12.50000 %

Highest Bid: \$189,363.20  
Tract Number: CIA 2003-420  
Submitted By: Prodigy Alaska, LLC

Total Number of Valid Bids: 28  
Total High Bonus Bids: \$689,949.25  
Total Exposed (Sum Of All Valid Bids): \$696,349.25  
Average High Bonus Bid Per Acre: \$9.34

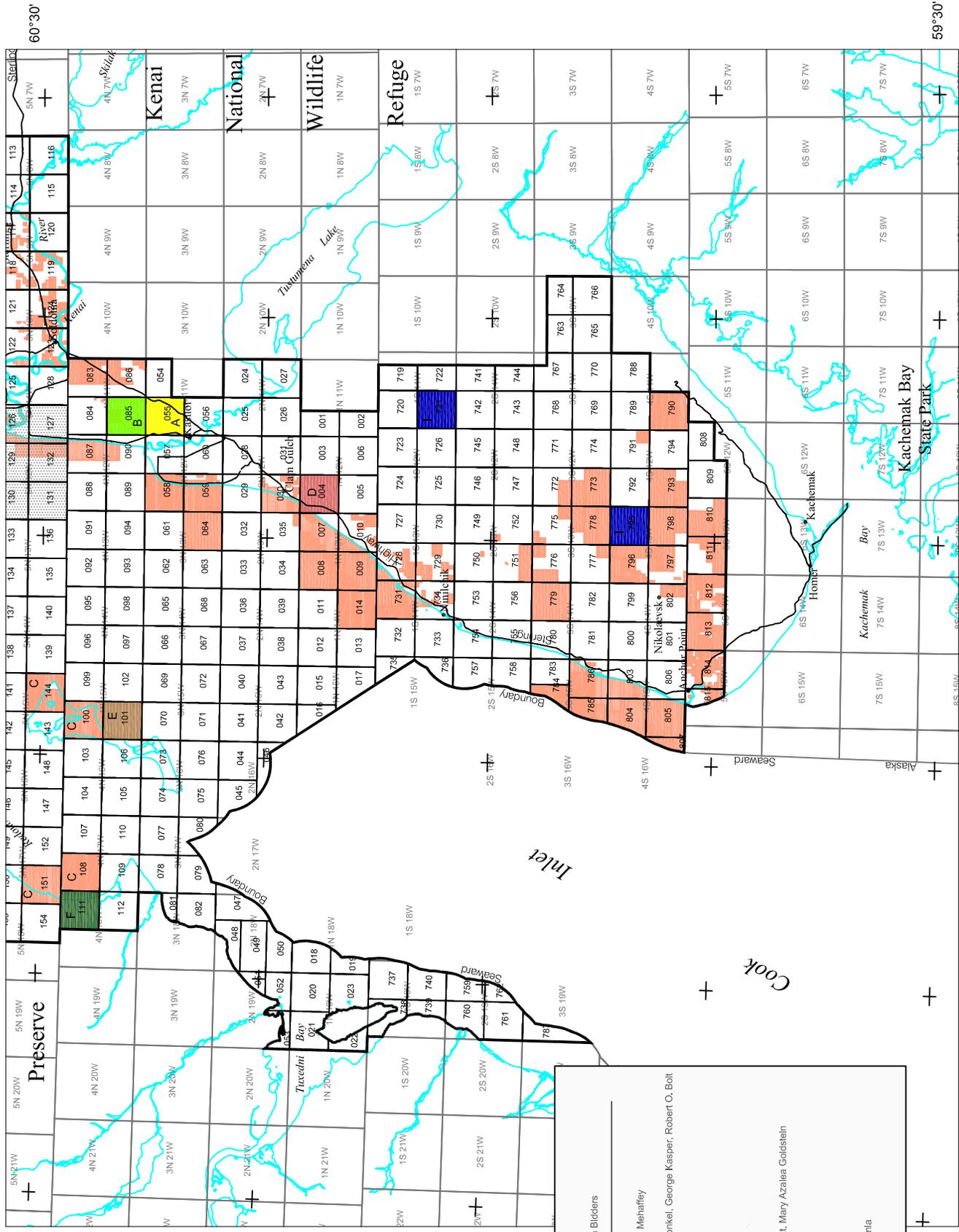
Highest Bid/Acre: \$33.28  
Tract Number: CIA 2003-420  
Submitted By: Prodigy Alaska, LLC

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
Daniel K. Donkel, Kenneth A. Mehaffey Daniel K. Donkel, 50.00%; Kenneth A. Mehaffey, 50.00%	2	\$57,600.00	2	\$57,600.00
Douglas A. Barr, Daniel K. Donkel, George Kasper, Robert O. Bolt Douglas A. Barr , 25.00%; Daniel K. Donkel, 25.00%; George Kasper, 25.00%; Robert O. Bolt, 25.00%	8	\$147,200.00	7	\$134,400.00
Forest Oil Corporation Forest Oil Corporation , 100.00%	3	\$56,396.80	3	\$56,396.80
Marathon Oil Company Marathon Oil Company , 100.00%	1	\$34,732.80	1	\$34,732.80
Monte J. Allen Monte J. Allen , 100.00%	1	\$30,355.20	1	\$30,355.20
Monte J. Allen, Laurel Bassett, Mary Azalea Goldstein Monte J. Allen, 62.50%; Laurel Bassett, 25.00%; Mary Azalea Goldstein, 12.50%	1	\$31,795.20	1	\$31,795.20
Pelican Hill Oil & Gas, Inc. Pelican Hill Oil & Gas, Inc. , 100.00%	3	\$65,740.80	3	\$65,740.80
Prodigy Alaska, LLC Prodigy Alaska, LLC , 100.00%	7	\$415,385.60	7	\$415,385.60
Union Oil Company of California Union Oil Company of California , 100.00%	2	\$60,652.80	2	\$60,652.80

Following award, three leases were not taken by the succesful bidders. No lease was issued for Tracts 101, 111 or 336.

2003 Cook Inlet Areawide Lease Sale Final Tract Map No. 1 of 3

Final Tract Map  
 No. 1 of 3



State Acreage  
 Acreage Withdrawn  
 (from CIAW 2003)  
 Currently Leased  
 State Acreage  
 (As of 2-5-03)

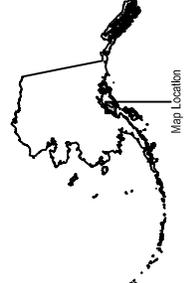
Scale 1:700,000  
 One Inch = 11 Miles Approx.

Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 151° 45', origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.

Director, Division of Oil and Gas  
 Mark D. Myers

Leasing Manager  
 James Hansen

Date: \_\_\_\_\_

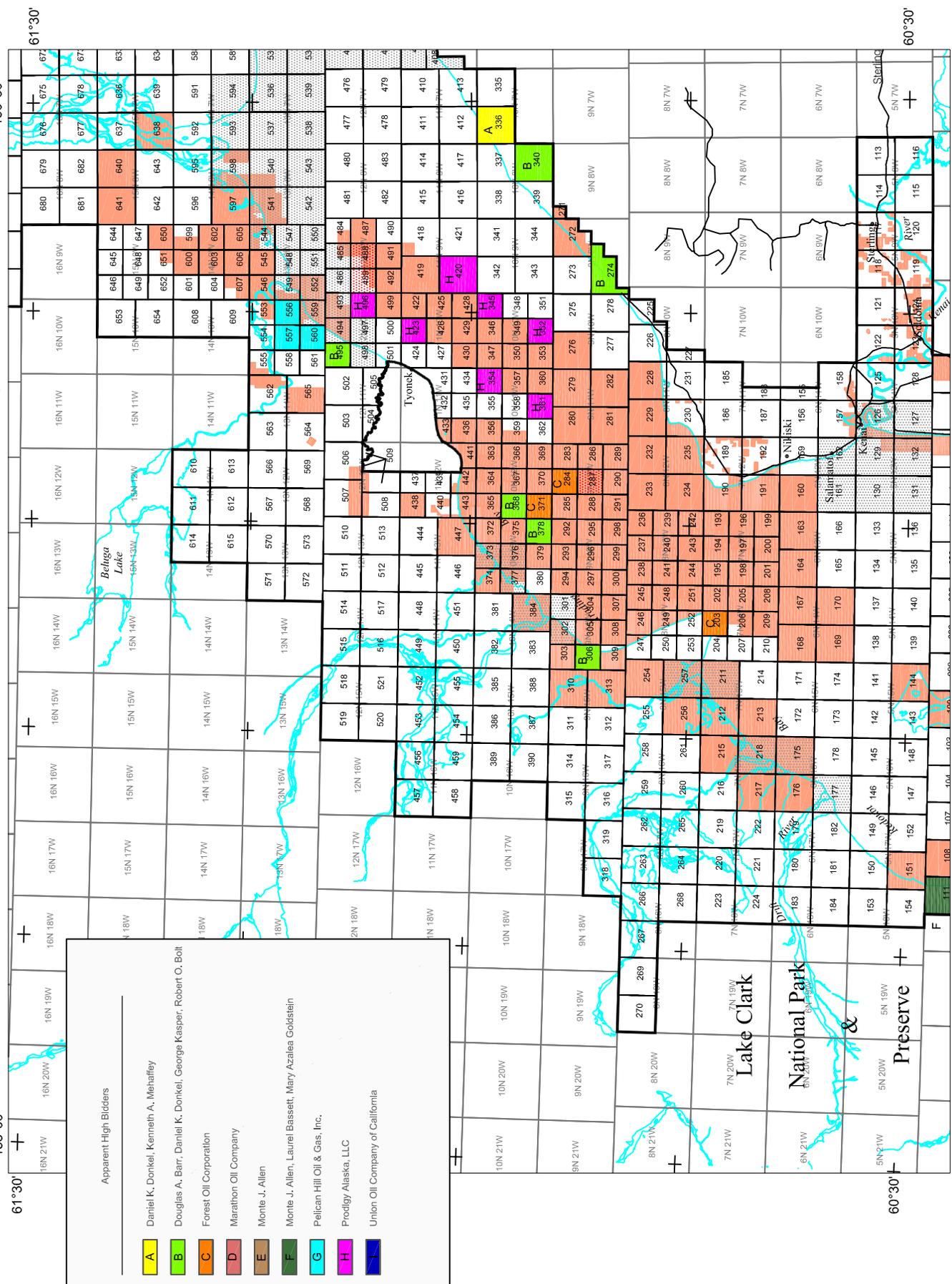


Apparent High Bidders

A	Daniel K. Donkai, Kenneth A. Mehaffey
B	Douglas A. Barr, Daniel K. Donkai, George Kasper, Robert O. Bolt
C	Forest Oil Corporation
D	Marathon Oil Company
E	Monte J. Allen
F	Monte J. Allen, Laurel Bassett, Mary Azalea Goldstein
G	Pelican Hill Oil & Gas, Inc.
H	Prodigy Alaska, LLC
I	Union Oil Company of California

2003 Cook Inlet Areawide Lease Sale Final Tract Map No. 2 of 3

Final Tract Map  
No. 2 of 3



**Apparent High Bidders**

- Daniel K. Donkel, Kenneth A. Mehaffey
- Douglas A. Barr, Daniel K. Donkel, George Kasper, Robert O. Bolt
- Forest Oil Corporation
- Marathon Oil Company
- Monte J. Allen
- Monte J. Allen, Laurel Bassett, Mary Azalea Goldstein
- Pelican Hill Oil & Gas, Inc.
- Prodigy Alaska, LLC
- Union Oil Company of California

State Acreage  
Acreage Withdrawn  
(from CIAW 2003)  
Currently Leased  
State Acreage  
(As of 2-5-03)

Scale 1:700,000 One Inch = 11 Miles Approx.

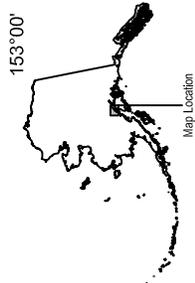
0 10 20 30 40 50 60

Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 151° 45', origin latitude of 65°, and southern parallel of 55°.

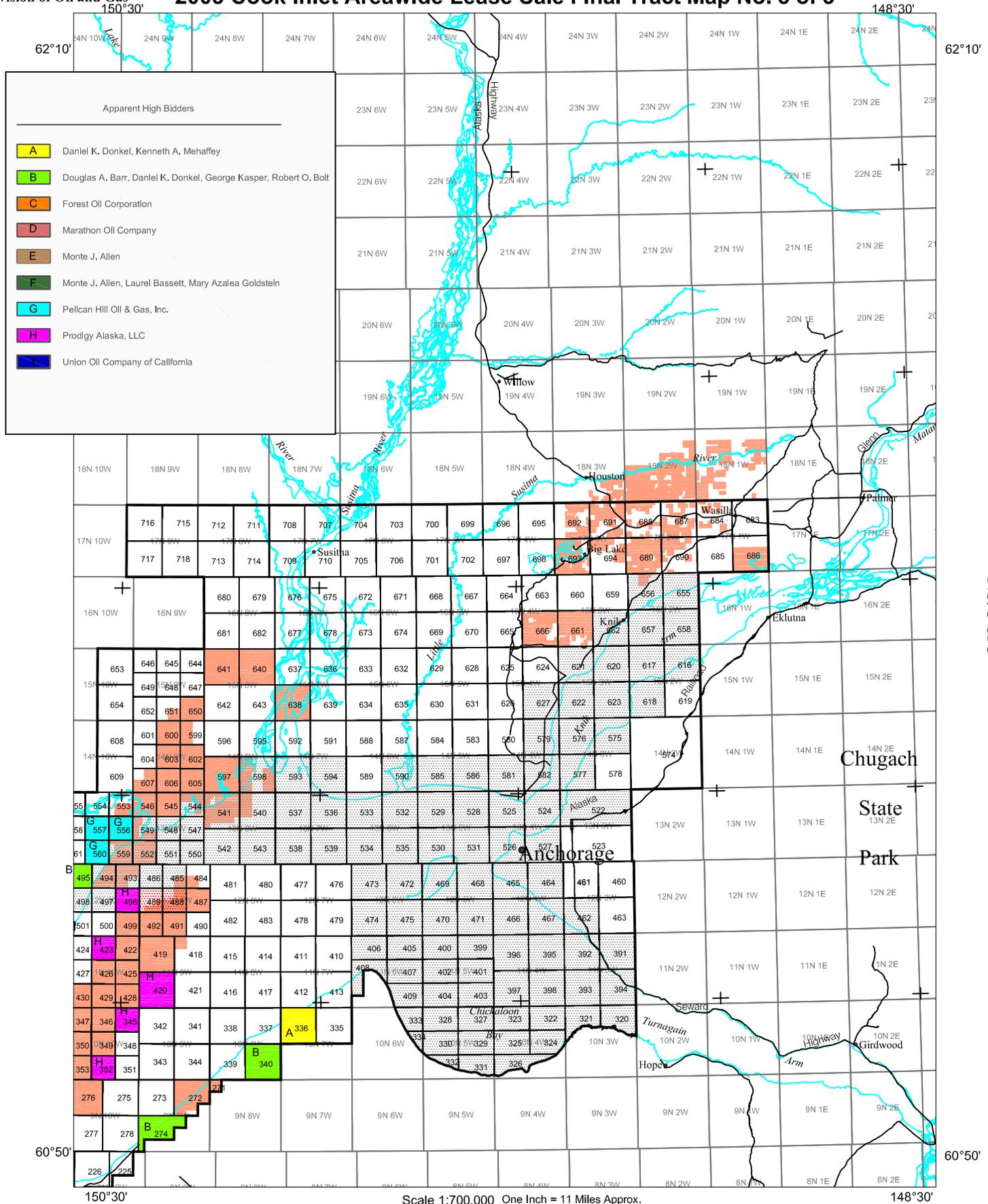
Director, Division of Oil and Gas  
Mark D. Myers

Leasing Manager  
James Hansen

Date: \_\_\_\_\_ Date: \_\_\_\_\_



This Is Not An Official Tract Map. For Informational Purposes Only.

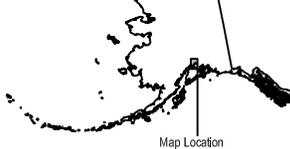


Final Tract Map  
No. 3 of 3

Scale 1:700,000 One Inch = 11 Miles Approx.

Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 151° 45', origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.

This Is Not An Official Tract Map. For Informational Purposes Only.



Director, Division of Oil and Gas  
 Mark D. Myers \_\_\_\_\_ Date: \_\_\_\_\_

Leasing Manager  
 James Hansen \_\_\_\_\_ Date: \_\_\_\_\_

	State Acreage
	Acreage Withdrawn (from CIAW 2003).
	Currently Leased State Acreage (As of 2-5-03).

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

## North Slope Areawide 2003

*Sale Results Summary*

Date of Sale: 10/29/2003

**Final Report**

3/2/2004

Bidding Method: Cash BonusBid, Fixed Royalty

Total Tracts Sold: 75

Total Acres Sold: 210,006.14

Minimum Bid Per Acre: \$10.00

Royalty: 12.50000 %

16.66667 %

Highest Bid: \$110,131.20  
Tract Number: NSA2003-0645  
Submitted By: Pioneer Natural Resources Alaska, Inc.

Total Number of Valid Bids: 79

Total High Bonus Bids: \$3,586,400.11

Total Exposed (Sum Of All Valid Bids): \$3,716,384.51

Average High Bonus Bid Per Acre: \$17.08

Highest Bid/Acre: \$28.98  
Tract Number: NSA2003-0672  
Submitted By: Anadarko Petroleum Corporation

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
Anadarko Petroleum Corporation	16	\$663,255.67	16	\$663,255.67
Anadarko Petroleum Corporation , 100.00%				
Armstrong Alaska, Inc.	2	\$75,816.99	1	\$37,701.63
Armstrong Alaska, Inc. , 100.00%				
AVCG, LLC	11	\$382,219.00	9	\$317,904.00
AVCG, LLC , 100.00%				
ConocoPhillips Alaska, Inc	5	\$184,392.12	4	\$156,838.08
ConocoPhillips Alaska, Inc , 100.00%				
Keith C. Forsgren	4	\$116,428.80	4	\$116,428.80
Keith C. Forsgren , 100.00%				
Pioneer Natural Resources Alaska, Inc.	41	\$2,294,271.93	41	\$2,294,271.93
Pioneer Natural Resources Alaska, Inc., 100.00%				

Notes: The Highest Bid of \$110,131.20 was submitted on two tracts (0645 & 0648) by Pioneer Natural Resources Alaska, Inc. and the High Bid/Acre of \$28.98 was submitted on six separate tracts (0672-0674, 0684, 0685, & 0846) by Anadarko Petroleum Corporation. Tracts 930, 933, 1046, 1047, 1050, and 1145 are jointly owned by the State of Alaska and Arctic Slope Regional Corporation (ASRC) under the terms of the 1991 State/ASRC Settlement Agreement - all other tracts are wholly owned by the State of Alaska.

Apparent High Bidders	
A	Anadarko Petroleum Corporation
B	Pioneer Natural Resources Alaska, Inc.
C	AVCG, LLC
D	ConocoPhillips Alaska, Inc
E	Keith C. Forsgren
F	Armstrong Alaska, Inc.

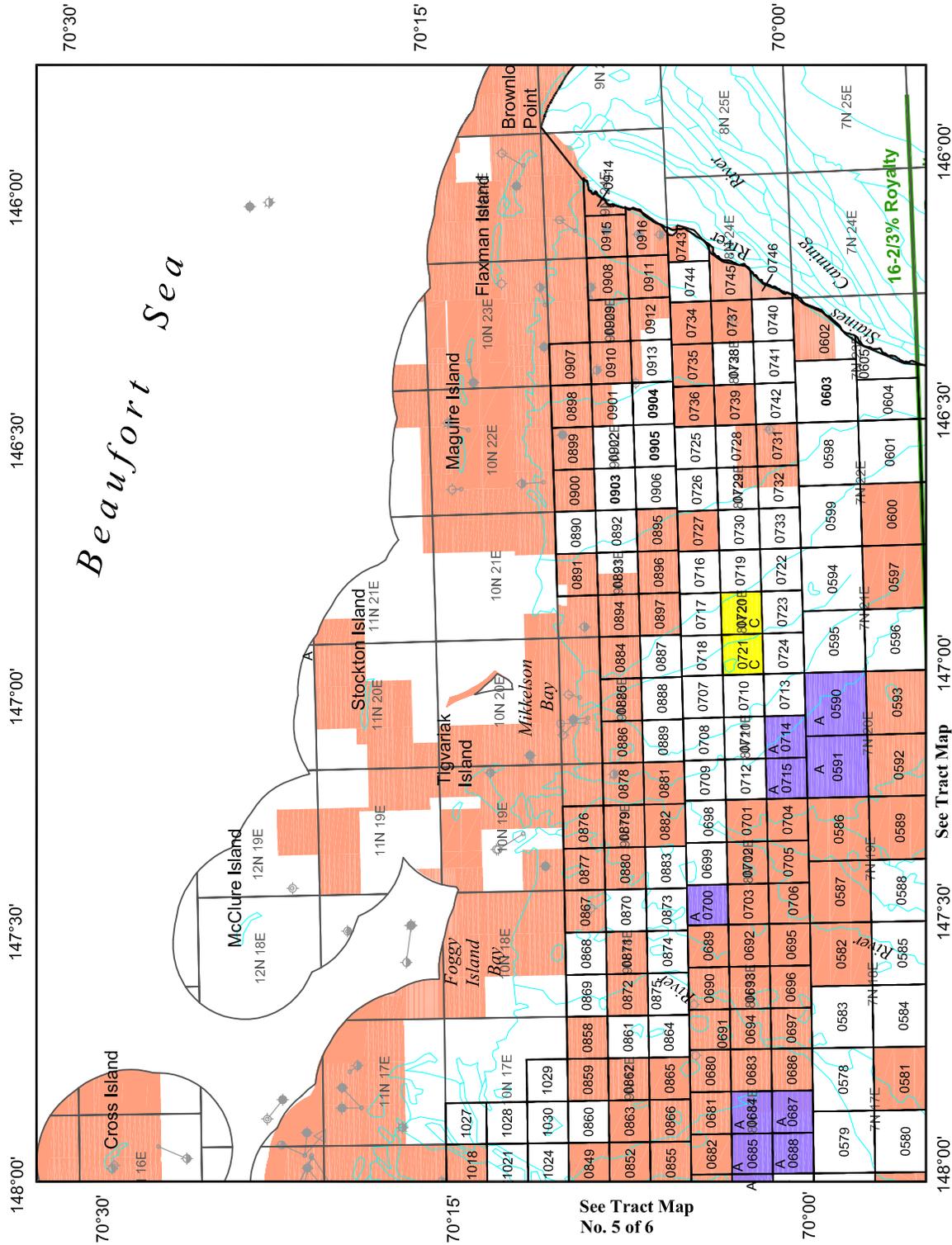
Sale Boundary



State acreage



Currently leased State acreage or pending lease. (As of August 5, 2003)



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

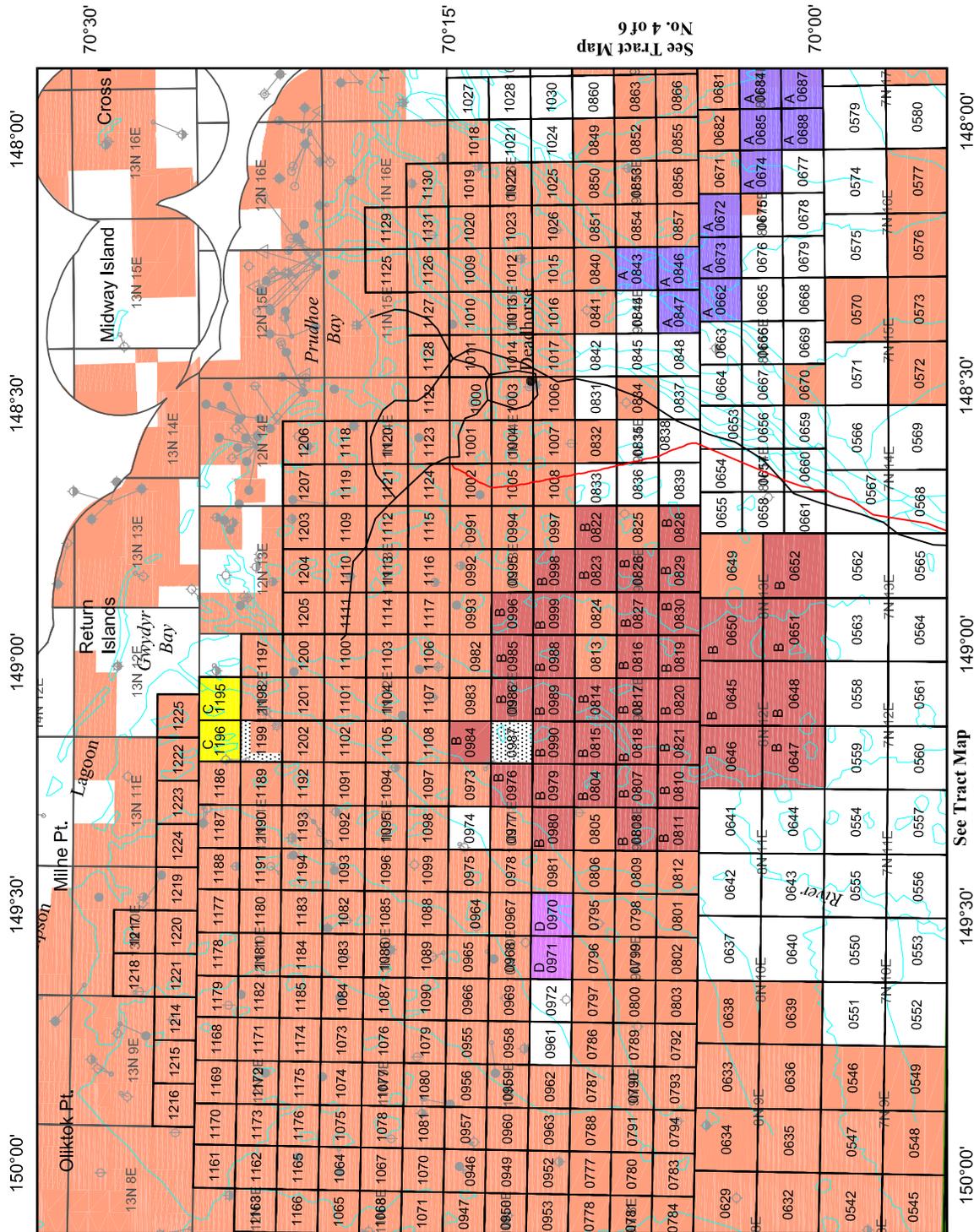
Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 150° 45', origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.

Apparent High Bidders	
<span style="background-color: #ccccff; border: 1px solid black; display: inline-block; width: 10px; height: 10px;"></span> A	Anadarko Petroleum Corporation
<span style="background-color: #ffcccc; border: 1px solid black; display: inline-block; width: 10px; height: 10px;"></span> B	Pioneer Natural Resources Alaska, Inc.
<span style="background-color: #ffffcc; border: 1px solid black; display: inline-block; width: 10px; height: 10px;"></span> C	AVCG, LLC
<span style="background-color: #ffccff; border: 1px solid black; display: inline-block; width: 10px; height: 10px;"></span> D	ConocoPhillips Alaska, Inc
<span style="background-color: #ccffcc; border: 1px solid black; display: inline-block; width: 10px; height: 10px;"></span> E	Kelth C. Forsgren
<span style="background-color: #ccffcc; border: 1px solid black; display: inline-block; width: 10px; height: 10px;"></span> F	Armstrong Alaska, Inc.

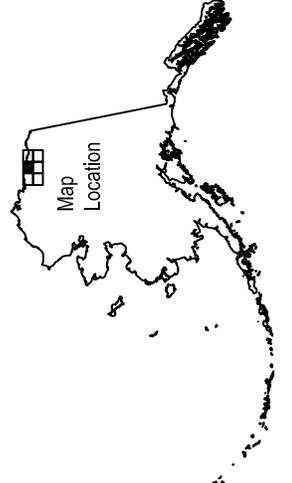
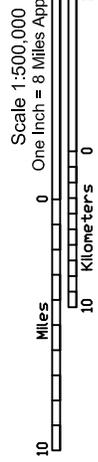
70°15'

See Tract Map  
No. 6 of 6

- Sale Boundary
- State acreage
- State Acreage Deleted from North Slope Areawide 2003.
- Currently leased State acreage or pending lease. (As of August 5, 2003)



See Tract Map  
No. 4 of 6



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

Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 150° 45', origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.

**Apparent High Bidders**

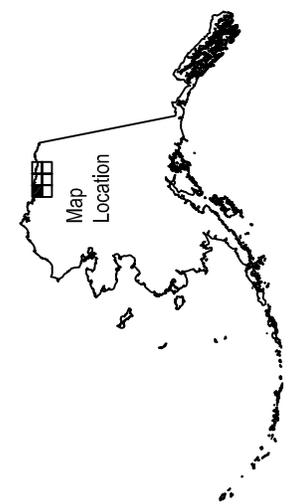
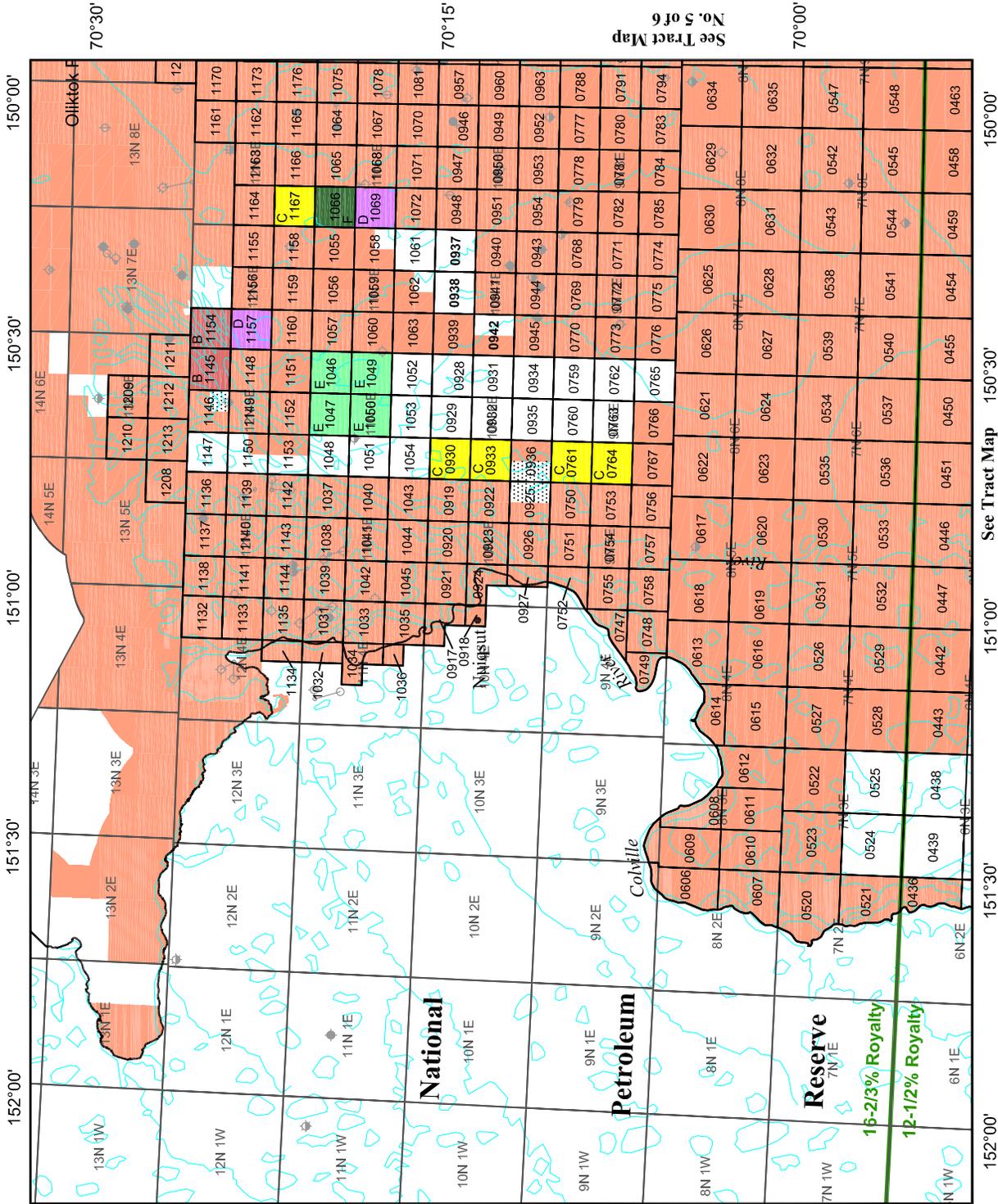
<b>A</b>	Anadarko Petroleum Corporation
<b>B</b>	Pioneer Natural Resources Alaska, Inc.
<b>C</b>	AVCG, LLC
<b>D</b>	ConocoPhillips Alaska, Inc.
<b>E</b>	Keith C. Forsgren
<b>F</b>	Armstrong Alaska, Inc.

**Sale Boundary**

State acreage

Currently leased State acreage or pending lease. (As of August 5, 2003)

State Acreage Deleted from North Slope Areawide 2003.



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Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 150° 45', northern parallel of 65°, and southern parallel of 55°.

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

## Beaufort Sea Areawide 2003

*Sale Results Summary*

Date of Sale: 10/29/2003

**Final Report**

3/26/2004

Bidding Method: Cash BonusBid, Fixed Royalty

Total Tracts Sold: 20

Total Acres Sold: 36,994.99

Minimum Bid Per Acre: \$10.00

Royalty: 12.50000 %

16.66667 %

Highest Bid: \$223,377.20  
 Tract Number: BSA2003-276  
 Submitted By: Pioneer Natural Resources Alaska, Inc.

Total Number of Valid Bids: 26

Total High Bonus Bids: \$1,358,186.59

Total Exposed (Sum Of All Valid Bids): \$1,678,011.19

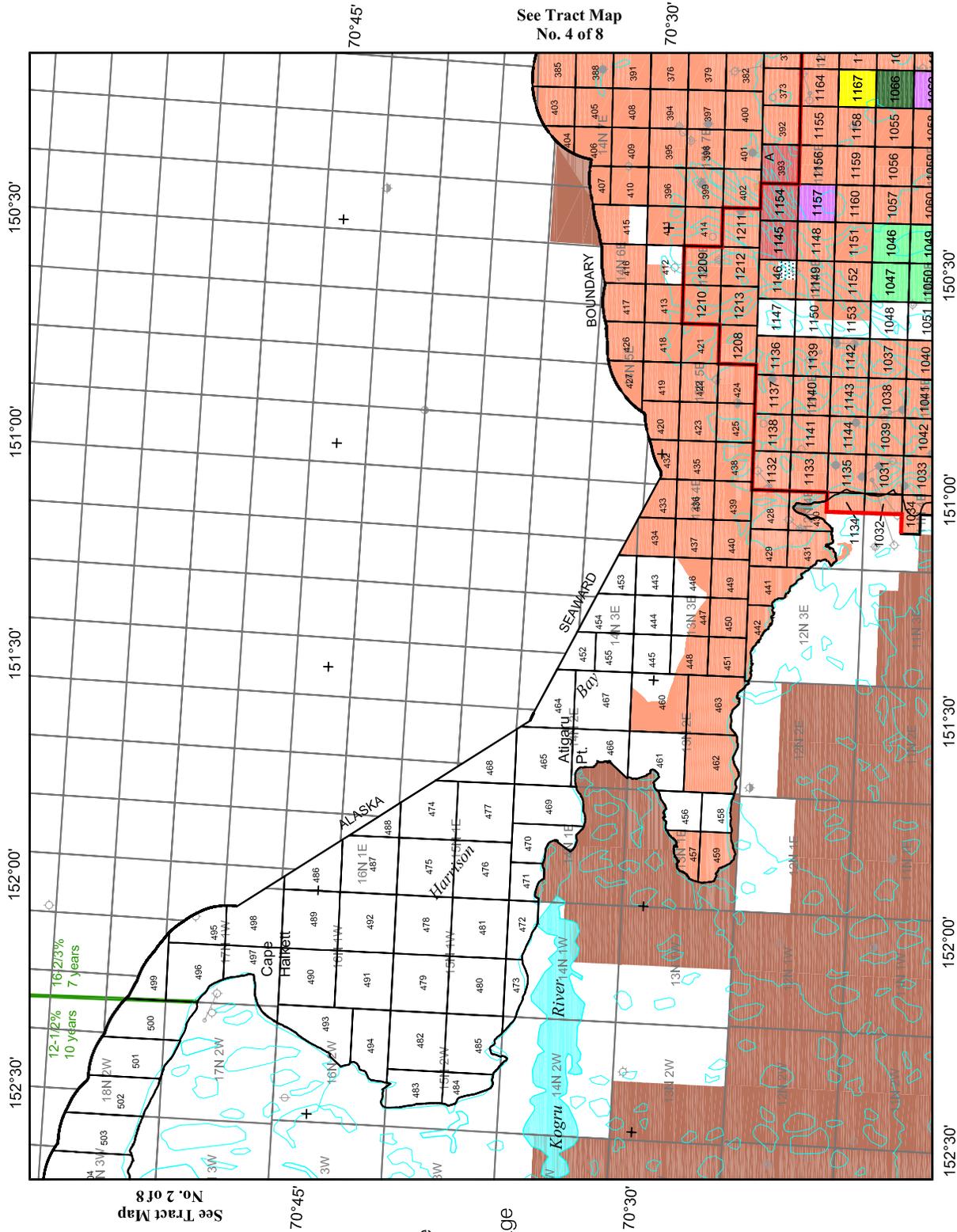
Average High Bonus Bid Per Acre: \$36.71

Highest Bid/Acre: \$87.71  
 Tract Numbers: BSA2003-260, 276, 293  
 Submitted By: Pioneer Natural Resources Alaska, Inc.

Bidder Company or Group Name	Number of Tracts Bid	Total of All Bids	Number of Tracts Won	Total of High Bids
Armstrong Alaska Inc. Armstrong Alaska Inc. , 100.00%	1	\$52,817.63	1	\$52,817.63
AVCG, LLC AVCG, LLC , 100.00%	8	\$274,450.90	6	\$229,060.00
ConocoPhillips/BP Exploration/ExxonMobil ConocoPhillips Alaska Inc. , 36.50%; BP Exploration (Alaska) Inc., 26.67%; ExxonMobil Alaska Production Inc., 36.83%	1	\$53,120.65	0	\$0.00
Pioneer Natural Resources Alaska, Inc. Pioneer Natural Resources , 100.00%	13	\$1,036,949.02	12	\$975,998.12
Ultrastar Exploration, LLC Ultrastar Exploration, LLC , 100.00%	3	\$260,672.99	1	\$100,310.84

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

Beaufort Sea Areawide 2003  
 Tract Map No. 3 of 8

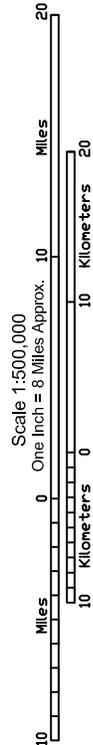
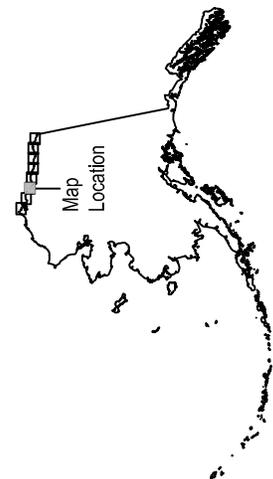


Apparent High Bidders

- Pioneer Natural Resources Alaska, Inc.
- AVCG, LLC
- Ultrastar Exploration, LLC
- Armstrong Alaska Inc.

Sale Boundary

- State acreage
- Currently leased State acreage or pending lease. (As of October 3, 2003)
- Currently leased Federal acreage (As of June 21, 2003)
- State Acreage Deleted from Beaufort Sea Areawide 2003.



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

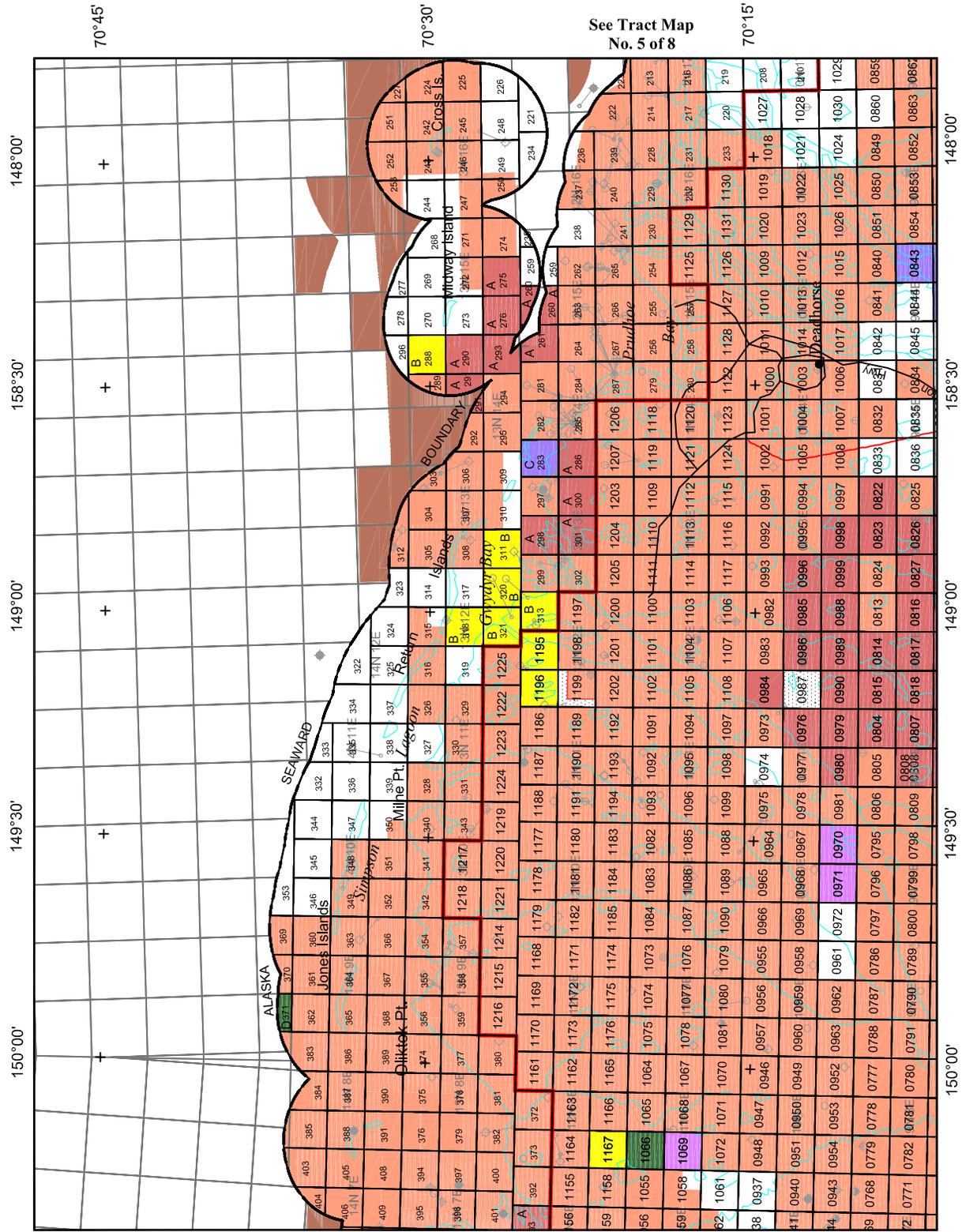
Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 150° 45', northern parallel of 65°, and southern parallel of 55°.

# Beaufort Sea Areawide 2003 Tract Map No. 4 of 8

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

Apparent High Bidders

- Pioneer Natural Resources Alaska, Inc.
- AVCG, LLC
- Ultrastar Exploration, LLC
- Armstrong Alaska Inc.



See Tract Map  
No. 3 of 8

Sale Boundary

State acreage

Currently leased State  
acreage or pending lease.  
(As of October 3, 2003)

Currently leased  
Federal acreage.  
(As of June 21, 2003)

State Acreage Deleted from  
Beaufort Sea Areawide 2003.

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Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 150° 45', origin latitude of 50°, northern parallel of 65°, and southern parallel of 55°.

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

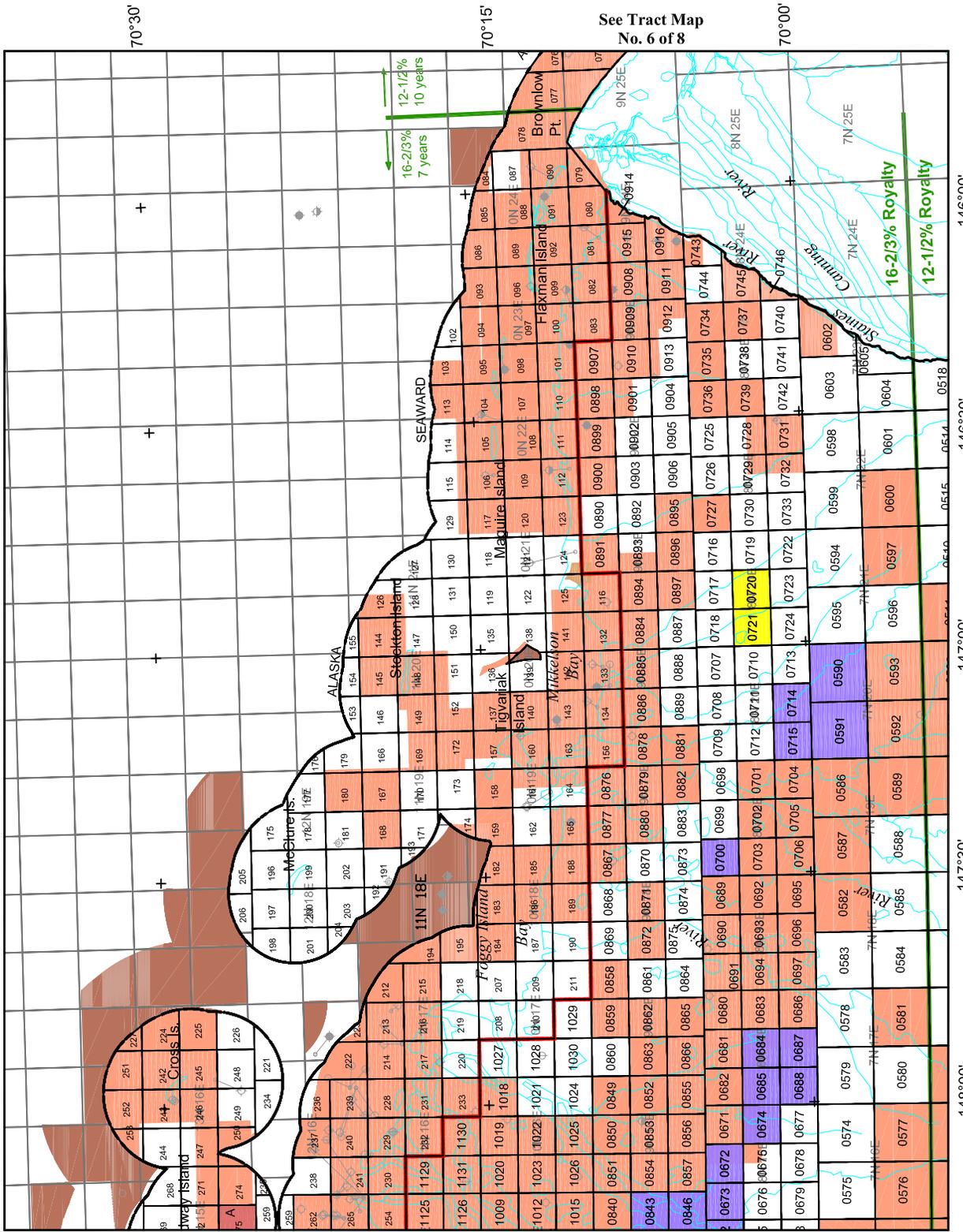
Beaufort Sea Areawide 2003  
Tract Map No. 5 of 8

Apparent High Bidders

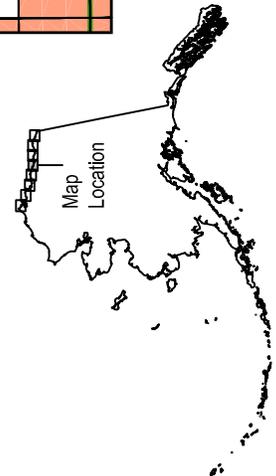
- A Pioneer Natural Resources Alaska, Inc.
- B AVCG, LLC
- C Ultrastar Exploration, LLC
- D Armstrong Alaska Inc.

See Tract Map  
No. 4 of 8

- Sale Boundary
- State acreage
- Currently leased State acreage or pending lease. (As of October 3, 2003)
- Currently leased Federal acreage. (As of June 21, 2003)



See Tract Map  
No. 6 of 8



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Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 150° 45', northern parallel of 50°, and southern parallel of 55°.

## STATE COMPETITIVE SALE AREAS

<u>DATE</u>	<u>SALE</u>	
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 Salamatof
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.
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

## STATE COMPETITIVE SALE AREAS, (CONT'D)

<u>DATE</u>	<u>SALE</u>	
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 Kaparuk 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 Umiat Baseline
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

## SUMMARY OF STATE COMPETITIVE LEASE SALES

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								
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 Pen	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 Riv	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
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/acre 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 Rlyty
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
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	NS2001	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	32,316	N/A	\$17.94	N/A	12	\$579,728	Bonus; \$10/acre Min	12.5%, 16.67



# Division of Oil & Gas

Alaska Department of Natural Resources

[State of Alaska](#) > [Natural Resources](#) > [Oil & Gas](#)

## Division Site Map

### Home Page

- [Welcome](#)
- [Oil & Gas Statutes](#)
- [Definitions](#)

### Division Programs

- [Basin Studies](#)
- [Exploration Incentives](#)
- [Lease Admin](#)
  - [FAQ's](#)
  - [Sample Lease](#)
- [Lease Sales](#)
  - [Proposed Sales](#)
  - [Announced Sales](#)
  - [Historic Sales](#)
- [Exploration Licensing](#)
- [Royalty](#)
  - [Royalty Reports](#)
  - [Royalty Value](#)
  - [Oil & Gas Volumes](#)
  - [Royalty-in-Kind](#)
  - [Sale of North Slope Royalty Gas](#)
  - [Funds Received](#)
  - [Funds Distribution](#)
  - [Revenues](#)
  - [Net Profit Share](#)
  - [Production](#)
  - [Monthly Summary](#)
  - [Weighted Average](#)
- [Shallow Gas Leasing](#)
  - [Coalbed Methane](#)
- [Permitting](#)
  - [Applications](#)
- [Units & PA's](#)
  - [How to Create a Unit](#)

### Data Products and Publications

- [Publications](#)
  - [Beaufort Sea](#)
  - [Bristol Bay](#)
  - [Cook Inlet](#)
  - [Copper River Basin](#)
  - [Nenana Basin](#)
  - [North Slope](#)
  - [NS Foothills](#)
  - [Susitna Basin](#)
  - [Lease Activity](#)
  - [Oil & Gas Inventory](#)
  - [Other Reports](#)
- [Maps](#)
- [Photographs](#)
- [Slide Shows](#)
- [Data](#)
  - [Well Data](#)
  - [Downloads](#)

### Personnel Information

- [Division Personnel Directory](#)

### Search

- [Site Search](#)

### Links to Related Sites

- [Web Links](#)

### User Feedback and Inquiries

- [Feedback](#)