

ALASKA LEGISLATURE / SUBJECT FILES 8672
1547 SCOM 57 : SENATE SPECIAL COMMISSIONS
1987-1988 / 344



FIVE-YEAR OIL & GAS LEASING PROGRAM

ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL & GAS

Proposed Area & Date	1987					1988					1989					1990					1991					1992																										
	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									
54 Kuparuk Upl. 1-88			P	MF	S																																															
55 Demarcation Pt. 6-88								P	MF	S																																										
66A N.S. Exempt* 6-88	N		C ¹					C ²	A	P	F	S																																								
52 Beaufort Sea 1-89			C ³												P	MF	S																																			
56 Alaska Peninsula 6-89					L			C ³									P	MF	S																																	
67A Cook Inlet Exempt* 6-89	N		C ¹					L	A		C ²						P	MF	S																																	
59 Cook Inlet 1-90					C ²								L		C ³														P	MF	S																					
57 N.S. Foothills 6-90			C ²													L		C ³											P	MF	S																					
64 Kavik 1-91					C ²																																															
65 Beaufort Sea 6-91								C ²																																												
61 White Hills 1-92	N		C ¹					A																																												
68 Beaufort Sea 6-92	N		C ¹					A																																												

N = Nominations Requested

A = Proposed Sale Area Added to 5-Year Leasing Schedule

C = Call for Comments:

New Sales and 5-Year Schedule Revisions¹

Request for General Information²

Request for Socioeconomic and Environmental Information³

L = Preliminary Land Status Check

P = Preliminary Finding/Preliminary Notice
[AS 38.05.945(a)(3)]

M = Public Meetings or Tel conference

F = Final Finding/Final Notice of Sale and Terms
[AS 38.05.945(a)(4)] and Alaska Coastal Management
= Program Consistency Determination, if Required

S = Sale

* = A Best Interest Finding May not be Required
[AS 38.05.035(e)(7)]

Proven and Probable Oil Reserves on Currently Leased State Lands
North Slope, Alaska [1]

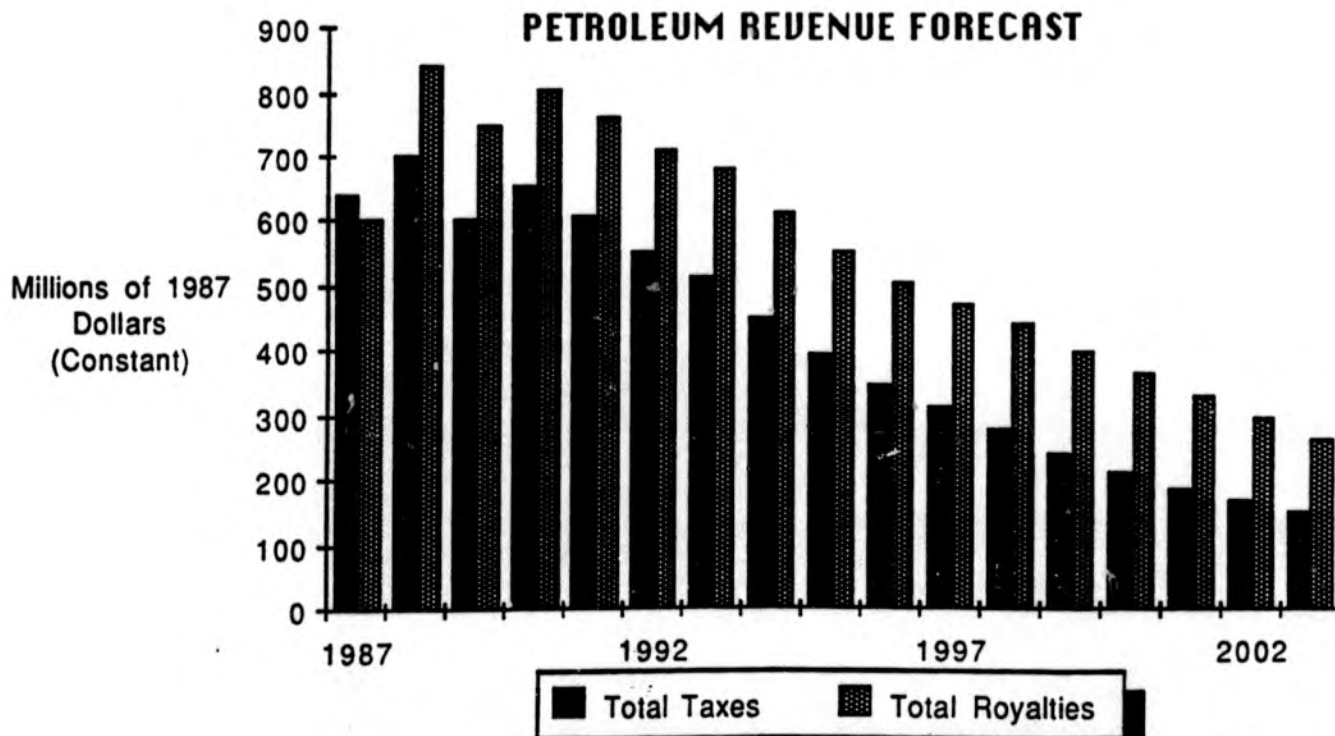
AREA	Range of Reserves (millions of barrels)		
	low	most probable	high
Prudhoe Bay Unit	4100	4800	6000
Kuparuk River Unit	600	900	1100
Miline Point Area	0	60	95
Gwydyr Bay Area	0	0	10
Shallow Cretaceous Sands	0	1500	3000
Prudhoe Bay Lisburne Reservoir	280	380	580
Endicott	270	370	445
Point Thomson Area and Flaxman Island Area [2]	0	0	350
Beaufort Sea	0	0	300
Totals	5250	8010	11880
Totals (minus Prudhoe Bay)	1150	3210	5880

[1] As of 1/88, estimates by W. Van Dyke, Department of Natural Resources
Division of Oil & Gas.

[2] Oil and gas condensate.

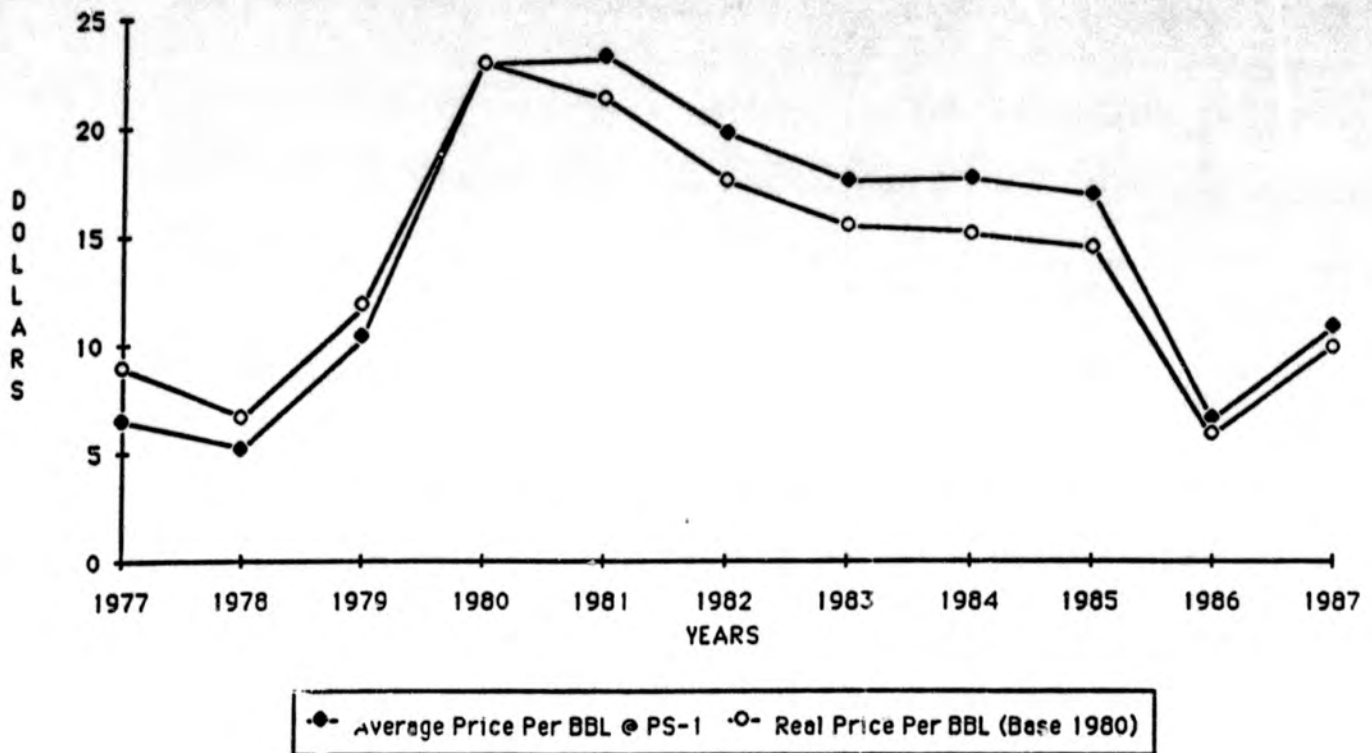
Constant Dollar
Petroleum Production Revenue Forecast
(Values In Millions of 1987 Dollars)

Fiscal Year	Total Sevarance and Conservation Taxes	Total Royalties	Total Petroleum Revenues
1987	642.86	604.06	1246.92
1988	700.81	843.40	1544.22
1989	604.13	748.08	1352.21
1990	655.63	803.20	1458.83
1991	606.79	760.50	1367.29
1992	551.96	710.97	1262.93
1993	512.47	679.20	1191.67
1994	451.00	613.87	1064.87
1995	394.82	552.95	947.77
1996	349.44	507.44	856.88
1997	315.59	473.25	788.85
1998	278.82	440.27	719.08
1999	241.53	399.50	641.03
2000	213.35	363.64	576.99
2001	187.45	331.06	518.51
2002	168.26	296.55	464.81
2003	149.86	264.10	413.96

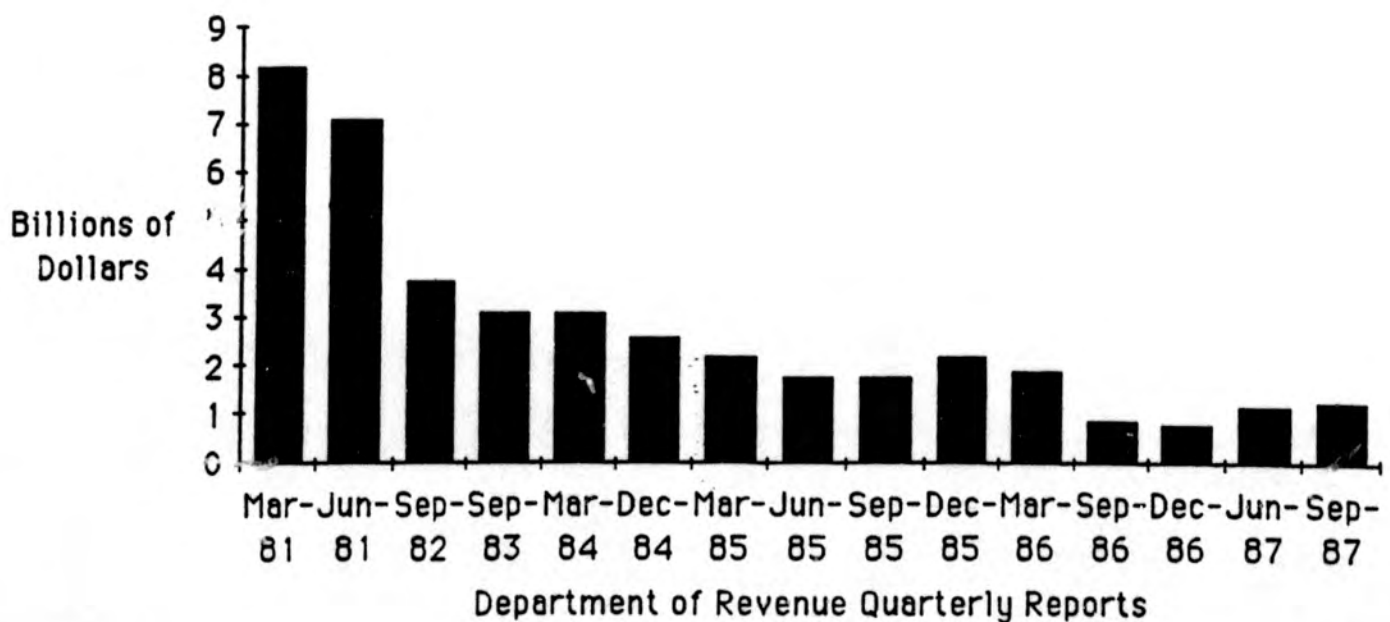


Source: Alaska Dept. of Revenue, Petroleum Production Revenue Forecast, Quarterly Report, Sept. 1987

Average Price Per Barrel at Pump Station No. 1



State Revenue Forecasts for Fiscal '87



North Slope Petroleum Development Summary (as of October 1987)

FIELD NAME	Prudhoe Bay	Lisburne	Kuparuk	Milne Point	Endicott
Discovery Date	12/67	12/67	4/69	10/69	3/78
Size of Oil Pool (sq. mi.)	400	125	400	45	40
Production Start-up Date	6/77	12/86	12/81	11/85	10/87
Production to Date (mill. bbls)	4,918	5	292	5 (1)	(2)
1986 Average Production Rate (barrels/day)	1,534,000	40,000	257,000	12,900	100,000
Remaining Reserves:					
million barrels	4,672	395	1,308	55	375
billion cubic feet	26,000	625	565	0	730
Existing Wells	828	37	505	29	4 (3)
Drill Sites/Pads	38	5	34	4	2
Production Centers	6	1	3	1	1
Base Camps	2	1	1	1	1
Construction Camps	2	0	1	1	1
Power Plants	1	1	1	1	1
Topping Plants	1	0	1	0	0
Gas Compression Plants	1	1	1	1	1
Sea Water Treatment Plants	1	0	1	0	1
Enhanced Oil Recovery Plants	1	0	1	0	0
Docks	1	0	1	0	1
Causeways	1	0	0	0	1
Water Injection Centers	2	0	(4)	(4)	0
Associated Support and Industrial Sites	1	0	1	0	0
Airports and Company Operated Airstrips	2	0	1	0	0
Pipelines (miles)	63 (5)	(5)	418	15	28
Roads (miles)	218 (5)	(5)	94	19	15
Acreage Filled (acres)	5374 (5)	(5)	1409	54	198
River Crossings (number)	3 (5)	(5)	5	1	1

(1) Field shut in January 1987 (4) Water injection system included in production centers
 (2) Production commenced October 1987 (5) Lisburne numbers included with Prudhoe Bay
 (3) 80-100 wells planned

Standard Alaska Production Company has recently applied for discovery royalty for a new field, Niakuk, located offshore between the Lisburne and Endicott fields. Standard currently is considering various development plans. No estimate of reserves is available at this time.

Camp Lonely, located 80 miles west of Oilktok Point and the Kuparuk field, has served as a staging area for western Beaufort Sea activities. The camp was constructed by the federal government for exploration activities in the National Petroleum Reserve Alaska. The Cook Inlet Region, Incorporated (CIRI) bought the camp in 1982. CIRI plans to operate the facility as a joint venture with Arctic Slope Regional Corporation. Infrastructure includes a 100 person camp, offices, carpentry shop, communications shop, sewage treatment plant, generating system, vehicle maintenance shop, a large tank farm, and warm and cold storage warehouses. Inventory on hand consists of drill pipe, casing and drilling mud.

In addition to these areas, future development is possible from the West Sak Reservoir in the Prudhoe Bay Unit, Seal Island, Tern Island, Sandpiper Island, Colville Delta, Flaxman Island/Point Thomson, Heml Springs Unit, ARCO Alaska's K-10 and Bullen Point Staging Area.

EXPLORATION INCENTIVE CREDITS
Report Month: October 1987

ADL	WELL	COMPANY	CERTIFICATION DATE	TOTAL AMOUNT
343109	G-2 Well	Exxon	10/5/83	\$6,197,625.00
		Standard Alaska	12/27/83	\$4,152,408.75
		BPAE	10/5/83	\$2,045,216.25
344010	Leffingwell	Arco	10/2/84	\$3,706,000.00
		Union	10/2/84	\$3,706,000.00
344033	J-1 Well	Exxon	10/31/84	\$5,119,500.00
355005	Long Island Well	Exxon	11/14/84	\$1,378,076.00
		Standard Alaska	11/14/84	\$1,378,076.00
345126	Totek Hills	Arco Alaska	8/02/85	\$715,530.81
355037	Colville Delta #1	Texaco	07/09/86	\$637,500.00
		Amerada Hess	07/09/86	\$888,594.00
		Diamond Shamrock(A)	07/09/86	\$100,128.00
		Mobil	02/05/87	\$432,511.00
		Placid Oil (C)	07/09/86	\$314,679.00
		Union Texas (B)	07/09/86	\$475,631.00
		Rosewood Resources	07/09/86	\$12,662.00
		Hunt Pet Co.	07/09/86	\$11,213.00
364478	Colville Delta Area AHC 25-13-6 #1 well	Amerada Hess	10/12/87	\$677,853.00
		Union Texas	10/12/87	\$508,390.00
		Texaco	10/12/87	\$225,951.00
		Maxus Expl.	10/12/87	\$225,951.00
		Placid Oil	10/12/87	\$129,115.00
		Rosewood Res.	10/12/87	\$21,360.00
		Hunt Pet Co.	10/12/87	\$18,987.00
355038	Colville Delta #2	Amerada Hess	10/28/87	\$757,731.46
		Union Texas	10/28/87	\$205,106.95
		Texaco	10/28/87	\$273,475.93
		Maxus Expl.	10/28/87	\$273,475.93
		Placid Oil	10/28/87	\$423,982.26
		Rosewood Res.	10/28/87	\$77,561.49
		Hunt Pet Co.	10/28/87	\$68,943.50
355039	Colville Delta #3	Amerada Hess	10/28/87	\$364,048.13
		Union Texas	10/28/87	\$91,012.03
		Texaco	10/28/87	\$364,048.13
		Maxus Expl.	10/28/87	\$364,048.13
		Placid Oil	10/28/87	\$178,918.37
		Rosewood Res.	10/28/87	\$34,416.31
		Hunt Pet Co.	10/28/87	\$30,592.28
GRAND TOTAL				\$36,575,980.71

(A) Assigned \$432,511 of EIC to Mobil Oil Corp. effective 02/05/87

(B) Assigned entire EIC to BP Alaska effective 02/03/87

(C) Assigned entire EIC to Texaco Inc. effective 03/31/87

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

SUMMARY OF PAST COMPETITIVE LEASE SALES

<u>Sale No.</u>	<u>Acres Offered</u>	<u>Percent Leased</u>	<u>Acres Leased</u>	<u>Average \$/Acre</u>	<u>Tracts Offered</u>	<u>Tracts Leased</u>	<u>Bonus Received</u>
1.	88,055.00	87.66	77,191.00	52.08	37	31	\$4,020,342.43
2.	17,567.51	93.96	16,505.57	24.70	27	26	407,654.54
3.	73,047.70	31.30	22,866.70	1.55	26	9	35,325.31
4.	400.00	100.00	400.00	679.04	3	3	271,614.40
5.	97,876.00	98.06	95,980.00	74.71	102	99	7,170,464.88
6.	13,257.00	100.00	13,257.00	8.35	5	6	110,671.55
7.	255,708.44	73.14	187,025.40	79.47	68	53	14,863,049.33
8.	1,061.70	100.00	1,061.70	4.80	8	8	5,097.00
9.	315,668.93	87.77	264,437.13	59.43	89	76	15,714,112.60
10.	167,583.06	84.43	141,490.51	29.23	200	158	4,126,224.92
11.		C A N C E L L E D					
12.	346,782.40	71.25	247,089.00	12.31	309	207	3,042,680.74
13.	1,194,373.00	60.51	722,659.00	7.66	610	341	5,537,100.94
14.	754,033.00	53.45	403,000.00	15.25	297	159	6,145,472.59
15.	403,042.06	74.87	301,751.28	15.49	293	216	4,674,343.74
16.	184,410.05	72.66	133,987.29	52.55	205	153	7,040,880.17
17.	19,229.70	96.67	18,589.70	7.33	36	35	136,279.67
18.	47,729.00	88.82	42,397.00	34.88	23	19	1,478,777.23
19.	2,560.00	R E J E C T E D 12/9/74					
20.	311,249.89	82.39	256,447.31	73.14	295	220	18,757,340.88
21.	346,623.00	47.59	164,961.00	18.24	308	147	3,009,224.00
22.	111,199.48	54.20	60,272.15	17.29	230	125	1,042,219.90
23.	450,858.47	91.50	412,548.47	2,181.66	179	164	900,041,605.34
24.	196,635.07	47.10	92,617.97	4.92	244	106	455,640.57
25.	325,401.42	54.78	178,244.71	7.43	259	152	1,324,673.40
26.	399,920.96	44.50	177,972.56	8.75	218	105	1,557,848.84
27.	308,400.81	36.93	113,891.71	9.93	210	96	1,130,324.51
28.	166,648.04	58.69	97,803.69	253.77	98	62	24,819,189.91
29.	278,269.43	50.00	127,119.65	8.19	164	82	1,040,909.98
29A.		C A N C E L L E D					
29B.	34,678.04	100.00	34,678.04	4.56	20	20	158,041.78
30.	341,140.18	86.80	296,307.65	1,914.87	71	62	567,391,497.48
31.	196,268.00	100.00	196,268.00	63.12	78	78	12,387,469.60
33.	815,000.00	50.99	429,978.16	10.00	202	103	4,299,781.60
32.	202,836.74	75.15	152,428.22	10.00	78	59	1,524,282.20
35.	601,171.50	21.82	131,190.69	10.00	149	31	1,311,906.90
36.	56,862.41	100.00	56,862.41	573.02	13	13	32,583,451.87
37.	852,603.08	19.80	168,849.00	3.33	217	33	562,943.90
37A.	1,874.60	100.00	1,874.60	52.00	1	1	97,479.20
34.	1,231,517.00	46.44	571,954.00	46.71	261	119	26,713,018.17
38.		C A N C E L L E D					
39.	211,988.08	100.00	211,988.08	99.05	42	42	20,998,100.98
40.	1,044,745.02	42.44	443,354.88	7.17	284	140	3,177,178.26
43&43A.	374,152.89	95.64	357,863.02	94.53	84	81	33,827,377.15
41.	1,437,930.46	19.39	278,938.96	3.03	308	63	843,964.92
46A.	248,584.64	76.45	190,041.54	13.28	65	50	2,523,333.71
45A.	606,385.00	27.19	164,885.00	28.25	113	32	4,657,478.08
47.	192,568.81	94.80	182,559.81	63.79	50	48	11,645,003.26
48.	526,101.00	50.70	266,736.00	9.16	104	54	2,444,341.85
48A.	42,053.00	100.00	42,053.00	12.13	11	11	510,255.16
49.	1,189,099.61	33.21	394,880.74	2.40	260	98	947,171.27
51.	592,142.00	17.99	100,632.00	2.88	119	26	289,624.90
50.	118,147.31	100.00	118,147.31	56.05	35	35	6,621,722.81
	17,797,475.92	52.63	9,165,038.61	189.54	7,108	4,057	1,763,484,494.32

STATE COMPETITIVE SALE AREAS

<u>SALE</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>BIDDING METHOD</u>
1. Wide Bay; offshore Kenai to Ninilchik; Kachemak Bay	12/10/59	Offshore	Cash Bonus Bid with fixed Royalty
2. Kenai Peninsula; West Forelands; Nushagak Bay	7/13/60	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
3. Katalla; Kalifonsky Beach; Herendeen Bay; offsh. Kodiak	12/7/60	Offshore	Cash Bonus Bid with fixed Royalty
4. Uplands Ninilchik	1/25/61	Uplands	Cash Bonus Bid with fixed Royalty
5. Tyonek; Controller Bay; Pavlov Bay	5/23/61	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
6. Controller Bay (Special Sale)	8/4/61	Tidelands	Cash Bonus Bid with fixed Royalty
7. Icy, Yakutat & Kachemak Bays; So. Kenai Penin.; N. Cook Inlet	12/19/61	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
8. Big Lake	4/24/62	Uplands	Cash Bonus Bid with fixed Royalty
9. Tyonek; W. Forelands; Knik Arm/Kalgin Island; Chisik Island; So. Kenai Penin.; Wide Bay	7/11/62	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
10. Tyonek; Kenai Offshore & Uplands	5/8/63	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
11. Yakutat Bay	C A N C E L L E D		
12. S. of Forelands; Knik & Turnagain Arms; Upper Cook Inlet; Kenai Pen.; Tyonek to Katunui River	12/11/63	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
13. Fire Island; W. Forelands; Trinity Islands; Prudhoe West	12/9/64	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
14. Prudhoe West to Canning River	7/14/65	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
15. Fire Island & N. Cook Inlet; Kalgin Island & Redoubt Bay; Knik; S. Kenai Peninsula	9/28/65	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
16. Kenai Penin. & Knik; Middleton Island; Fire Island, Redoubt Bay; Kalgin Island, Iliamna Mt.; N. Cook Inlet	7/19/66	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
17. Big Lake; Kenai	11/22/66	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
18. Katalla; Prudhoe	1/24/67	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
19. Lower Cook Inlet	3/28/67	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
20. Big Lake; Knik; Iliamna Mt.; Belukha; N. Cook Inlet; Kalgin Island; Ninilchik	7/25/67	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
21. Port Helden & Port Moller	3/26/68	Offshore	Cash Bonus Bid with fixed Royalty
22. Big Lake; Knik; Belukha; West Forelands; Ninilchik; Kachemak & Kenai	10/29/68	Uplands	Cash Bonus Bid with fixed Royalty

STATE COMPETITIVE SALE AREAS

<u>SALE</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>BIDDING METHOD</u>
23. Colville to Canning River	9/10/69	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
24. Big Lake; Knik; Kenai; West Forelands	5/12/71	Uplands	Cash Bonus Bid with fixed Royalty
25. Big Lake; Knik; Belukha; North Cook Inlet	9/26/72	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
26. Cook Inlet (Between Forelands & Turnagain Arm)	12/11/72	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
27. Tuxedni; Ninilichik; Kenai; Kalgin	5/9/73	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
28. Ninilichik; Kachemak Bay; Belukha	12/13/73	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
29. Kalgin & West Forelands; Chisik; Ninilichik N. Cook Inlet; Turnagain; Big Lake	10/23/74	Offshore Uplands	Cash Bonus Bid with fixed Royalty
29A. Point Thomson	C A N C E L L E D		
29B. Copper River Basin	7/24/79	Uplands	Cash Bonus Bid with fixed Royalty
30. Beaufort Sea (Joint Federal & State Sale)	12/12/79	Offshore	Cash Bonus w/fixed Sliding Scale Royalty; Net Profit Share (NPS) Bid w/fixed Royalty and fixed Cash Bonus
31. Prudhoe Uplands	9/16/80	Uplands	Cash Bonus Bid with fixed Royalty and fixed NPS
32. Lower Cook Inlet	8/25/81	Offshore/Uplands	Royalty Bid with fixed Cash Bonus
33. Upper Cook Inlet	5/13/81	Offshore/Uplands	Royalty Bid with fixed Cash Bonus
35. Lower Cook Inlet	2/2/82	Offshore/Uplands	Royalty Bid with fixed Cash Bonus
36. Beaufort Sea	5/26/82	Offshore/Uplands	Cash Bonus Bid with fixed Royalty and fixed NPS
37. Middle Tanana & Copper River Basins	8/24/82	Uplands	Cash Bonus Bid with fixed Royalty and fixed NPS
37A. Chakok River, Exempt	8/24/82	Uplands	Cash Bonus Bid with fixed Royalty
34. Prudhoe Uplands	9/28/82	Uplands	Cash Bonus Bid with fixed Royalty and fixed NPS
38. Norton Basin	C A N C E L L E D		

STATE COMPETITIVE SALE AREAS

<u>SALE</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>BIDDING METHOD</u>
39. Beaufort Sea	5/17/83	Offshore/Uplands	Cash Bonus Bid with fixed Royalty and fixed NPS
40. Upper Cook Inlet	9/28/83	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
43. Beaufort Sea	5/22/84	Offshore	Cash Bonus Bid with fixed Royalty
43A. Colville River Delta/Prudhoe Bay Uplands	5/22/84	Offshore/Uplands	Cash Bonus Bid with fixed Royalty and fixed NPS
41. Bristol Bay Uplands	9/18/84	Uplands	Cash Bonus Bid with fixed Royalty
46A. Cook Inlet Exempt	2/26/85	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
45A. North Slope Exempt	9/24/85	Uplands	Cash Bonus Bid with fixed Royalty
47. Kuparuk Uplands	9/24/85	Uplands	Cash Bonus Bid with fixed Royalty
48. Kuparuk Uplands	2/25/86	Uplands	Cash Bonus Bid with fixed Royalty
48A. Mikkelson	2/25/86	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
49. Cook Inlet	6/24/86	Offshore/Uplands	Cash Bonus Bid with fixed Royalty
51. Prudhoe Bay Uplands	2/27/87	Uplands	Cash Bonus Bid with fixed Royalty
50. Camden Bay	6/30/87	Offshore	Cash Bonus Bid with fixed Royalty

CURRENT STATE OIL & GAS LEASE INVENTORY
(December 1987)

CATEGORY	NO. OF LEASES	NO. OF ACRES
ACTIVE LEASES	1155	3,843,827
OFFSHORE		1,629,247
ONSHORE		2,214,580
TOTAL PRODUCING LEASES	278	548,719
UNITIZED LEASES	436	957,078
COMPETITIVE LEASES	1125	3,820,104
OFFSHORE		1,629,247
ONSHORE		2,190,857
NONCOMPETITIVE LEASES	12	8,890
OFFSHORE		-0-
ONSHORE		8,890
NET PROFIT SHARE LEASES	141	620,414
OFFSHORE		290,795
ONSHORE		329,620
CONDITIONAL LEASES (1)	84	176,950
OFFSHORE		17,382
ONSHORE		159,567
TRANSFERRED FEDERAL LEASES (2)	15	14,181
OFFSHORE		-0-
ONSHORE		14,180
SHORELAND PREFERENCE LEASES (3)	3	651

- (1) State leases issued prior to May 6, 1969 on lands which the state has not yet received patent.
- (2) Federal leases which have since been transferred to state ownership.
- (3) State leases for the bottoms of navigable waterbodies issued to federal leaseholders whose tracts surround those waterbodies.