

**NOTICE OF
FINAL DECISION AND FINDING
UNDER AS 38.05.035(a)(14)
REGARDING PROPOSED OIL AND GAS
LEASE SALES 43 (Beaufort Sea)
AND 43A (Colville River Delta/Prudhoe Bay Uplands)**

The Department of Natural Resources, Division of Minerals and Energy Management (DMEM), gives formal notice under AS 38.05.345(a)(3) of its intention to make a final decision under AS 38.05.035(a)(14) regarding the sale of oil and gas leases in proposed Oil and Gas Lease Sales 43 (Beaufort Sea) and 43A (Colville River Delta/Prudhoe Bay Uplands). Before these sales may be held, the Director of the Division of Minerals and Energy Management must make a written final decision that the sales best serve the interests of the state. This decision will set out the facts and applicable law upon which the Director bases her determination that the sale of oil and gas leases in proposed Sales 43 and 43A will or will not best serve the interests of the state. This final decision is expected to be available to the public in April, 1984.

A preliminary analysis of the potential effects of proposed Sales 43 and 43A and the means by which they may be mitigated will be available on January 16, 1984 at DMEM, 555 Cordova Street, Anchorage, Alaska. Copies of the analysis may be obtained by writing to DMEM at Pouch 7-034, Anchorage, Alaska 99510. The public is invited to comment on any aspect of the sales including any proposed term or condition. Comments must be received at DMEM by February 24, 1984 in order to be considered in the final decision of whether or not to hold these sales. Preliminary tract maps and legal descriptions are available at DMEM.

Proposed Sale 43 includes an area of approximately 298,385 acres. The proposed sale area consists of acreage in the Beaufort Sea offshore of National Petroleum Reserve-Alaska (NPR-A) and extends from Harrison Bay to approximately ten miles west of Pitt Point. Nuiqsut is the only community in the vicinity of the sale area. The entire sale area is within the North Slope Borough.

Proposed Sale 43A includes an area of approximately 76,079 acres. The proposed sale area consists of both onshore and offshore acreage on the Colville River Delta and onshore acreage on the North Slope (Prudhoe Bay Uplands) approximately 12 miles west of the Arctic National Wildlife Refuge (ANWR). Nuiqsut is the only community in the vicinity of the sale area. The entire sale area is within the North Slope Borough.

Most of the Colville River Delta acreage was deleted from State Oil and Gas Lease Sale 39 (Beaufort Sea) held in May, 1983. The Prudhoe Bay Uplands acreage consists of tracts that were offered but not leased in Sale 34 (Prudhoe Bay Uplands) held in September, 1982. All acreage proposed for leasing in Sale 43A was nominated by the oil and gas industry for sale in conjunction with proposed Sale 43.

The Colville River Delta/Prudhoe Bay Uplands Sale is being offered as "exempt" acreage under the terms of AS 38.05.180(d)(2). This provision in the state oil and gas leasing statute allows the Commissioner of the Department of Natural Resources to issue oil and gas leases in an area that has not been included in the five-year leasing program, if the land to be leased is contiguous to land already under lease and the leasing of the land would result in a substantial probability of early evaluation and development of the lands to be leased. All Sale 43A tracts (43A-70 to 43A-84) are contiguous to lands already under lease.

The Department of Natural Resources will hold a public hearing in order to determine whether or not the leasing of Sale 43A acreage would result in a substantial probability of early evaluation and development. This public hearing will be held in Room 18 at the Department of Natural Resources, 555 Cordova Street, Anchorage, at 9:00 a.m. on January 6, 1984. Anyone having information relating to this topic is encouraged to testify at this hearing or submit written comments to DMEM by January 6, 1984.

If a decision is made that the proposed sales best serve the interests of the state, an "Information to Bidders" packet will be sent to all persons on the DMEM mailing list in April, 1984. If a decision is made to hold the sale, it is tentatively scheduled to occur at the Sheraton Anchorage Hotel on May 22, 1984 in accordance with AS 38.05.180. If you want to place your name on the DMEM mailing list, contact DMEM at (907) 276-2653, extension 4281.

KAY BROWN

DIRECTOR

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