DEPARTMENT OF THE INTERIOR

Minerals Management Service

Alaska Outer Continental Shelf Region, Beaufort Sea Natural Gas and Oil Lease Sale 144

AGENCY: Minerals Management Service

ACTION: Final Notice of Sale

1. **Authority**. This Notice is issued pursuant to the Outer Continental Shelf Lands Act (OCSLA) (43 U.S.C. 1331-1356 (1994), and the regulations issued thereunder (30 CFR Part 256).

2. **Filing of Bids**. Sealed bids will be received by the Regional Director, Alaska OCS Region, Minerals Management Service (MMS), 949 E. 36th Avenue (Third Floor), Anchorage, Alaska 99508-4302. Bids may be delivered in person to that address during normal business hours (8 a.m. to 4 p.m. local time) until the bid submission deadline at 10 a.m. September 17, 1996. Bid opening time will be 9 a.m., September 18, 1996, at the Marston Theater, Z. J. Loussac Public Library, 3600 Denali Street, Anchorage, Alaska. All bids must be submitted and will be considered in accordance with applicable regulations, including 30 CFR 256. The list of restricted joint bidders which applies to this sale appeared in the Federal Register at 61 FR 15968, published on April 10, 1996.

3. **Method of Bidding**. A separate bid in a sealed envelope labeled "Sealed Bid for Natural Gas and Oil Lease Sale 144, not to be opened until 9 a.m September 18, 1996." must be submitted for each block or bidding unit bid upon. The sealed envelope and the bid should in the following information: the company name, MMS qualification number, map number and name (abbreviations acceptable), and the block number of the block bid upon. For those blocks which must be bid upon as a bidding unit (see paragraph 12), all numbers of blocks comprising the bidding unit should appear on the sealed envelope and the bid. In addition, the total amount bid must be in whole dollar amounts. Any cent amount above the whole dollar will be ignored by MMS.

Bidders must submit with each bid one-fifth of the cash bonus, in cash or by cashier's check, bank draft, or certified check, payable to the order of the U.S. Department of the Interior--Minerals Management Service. Also, for identification purposes, the company name and MMS qualification number, map number and name (abbreviations acceptable), and the block number(s) must appear on the check or bank draft. No bid for less than all of a block or bidding unit, as referenced in paragraph 12, will be considered.

All documents must be executed in conformance with signatory authorizations on file in the Alaska OCS Regional office. Partnerships also need to submit or have on file in the Alaska OCS Regional office a list of signatories authorized to bind the partnership. Bidders submitting joint bids must state on the bid form the proportionate interest of each participating bidder, in

percent to a maximum of five decimal places, e.g., 33.33333 percent. Bidders are warned against violation of 18 U.S.C. 1860, prohibiting unlawful combination or intimidation of bidders.

4. Bidding, Yearly Rental, and Royalty Systems. The following bidding, yearly rental, and royalty systems apply to this sale:

(a) Bidding Systems. All bids submitted at this sale must provide for a cash bonus in the amount of $62 or more per hectare or fraction thereof.

(b) Yearly Rental. All leases awarded will provide for a yearly rental payment of $13 per hectare or fraction thereof.

(c) Royalty Systems. All leases will provide for a minimum royalty of $13 per hectare or fraction thereof. A Fixed Royalty Rate of 12½ percent applies to all blocks and bidding units offered in this sale.

5. Equal Opportunity. Each bidder must qualify for the sale by submitting, prior to the bid submission deadline stated in paragraph 2, the certification required by 41 CFR 60-1.7(b) and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, on the Compliance Report Certification Form, Form MMS-2033 (June 1985), and the Affirmative Action Program Representation Form, Form MMS-2032 (June 1985). See paragraph 14(g).

6. Bid Opening. Bid opening will begin at the bid opening time stated in paragraph 2. The opening of bids is for the sole purpose of publicly announcing bids received, and no bids will be accepted or rejected at that time. If the Department is prohibited for any reason from opening any bid before midnight on the day of bid opening, that bid will be returned unopened to the bidder as soon thereafter as possible.

7. Deposit of Payment. Any cash, cashier's checks, certified checks, or bank drafts submitted with a bid may be deposited by the Government in an interest-bearing account in the U.S. Treasury during the period the bids are being considered. Such a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

8. Withdrawal of Blocks. The United States reserves the right to withdraw any block from this sale prior to issuance of a written acceptance of a bid for the block.

9. Acceptance, Rejection, or Return of Bids. The United States reserves the right to reject any and all bids. In any case, no bid will be accepted, and no lease for any block or bidding unit will be awarded to any bidder, unless:

(a) the bidder has complied with all requirements of this Notice and applicable regulations;

(b) the bid is the highest valid bid; and

(c) the amount of the bid has been determined to be adequate by the authorized officer.

No bonus bid will be considered for acceptance unless it provides for a cash bonus in the amount of $62 or more per hectare or fraction thereof. Any bid submitted which does not conform to the requirements of this Notice, the OCSLA, as amended, and other applicable regulations may be returned to the person submitting that bid by the Regional Director and not considered for acceptance.

10. Successful Bidders. Each person who has submitted a bid accepted by the authorized officer will be required to execute copies of the lease (Form MMS-2005 (March 1986) as amended), pay the balance of the cash bonus bid along with the first year's annual rental by electronic funds transfer in accordance with the requirements of 30 CFR 218.155 for each lease issued, and satisfy the bonding requirements of 30 CFR 256, Subpart I, as amended. See Federal Register at 58 FR 45255, published August 27, 1993.

Each person submitting a bid, or any person participating as a joint bidder in a bid, must submit, prior to the Bid Submission Deadline specified in this Notice, a Certification that the person is not excluded from participation in primary covered transactions under Federal nonprocurement programs and activities. Persons submitting such certifications should review the requirements of 43 CFR, Part 12, Subpart D, as amended by Notice published in the Federal

Register at 60 FR 33035 (June 26, 1995). Copies of the preferred Certification format are available from the Alaska OCS Region Resource Center at the address cited in paragraph 2.

11. Official Protraction Diagrams. Blocks being offered may be located on the following OCS Official Protraction Diagrams (OPD's) available for $2 each from the Alaska OCS Region Resource Center at the address stated in paragraph 2.

These OPD's are based on the North American Datum of 1983 (NAD 83). They reflect current baseline and boundary information portrayed on a metric NAD 83 cadastre. Bidders must utilize the OPD(s) and block number(s) based on NAD 83 in submitting bids.

NR 05-01, Dease Inlet (approved February 1, 1996)

NR 05-02, Harrison Bay North (approved February 1, 1996)

NR 05-03, Teshekpuk (approved February 1, 1996)

NR 05-04, Harrison Bay (approved February 1, 1996)

NR 06-01, Beechey Point North (approved February 1, 1996)

NR 06-03, Beechey Point (approved February 1, 1996)

NR 06-04, Flaxman Island (approved February 1, 1996)

NR 07-03, Barter Island (approved February 1, 1996)

12. Description of the Areas Offered for Bids. The area is depicted on the map attached to this Notice.

The lease sale area offered for bidding is listed by OPD. Three categories of blocks appear under each OPD listed: (1) whole blocks, (2) split blocks, and (3) blocks which comprise bidding units.

Whole blocks fall entirely under the jurisdiction of the Federal Government. Each block must be bid on separately. Hectares for whole blocks listed in this paragraph are found on the appropriate OPD.

Split blocks are blocks divided into two or more portions. This occurs where part of the block lies within the seaward boundary of Alaska or where a jurisdictional dispute exists between the Federal and State Governments. A block may also be split into portions when a portion of the block lies within 3-to-6 geographical miles of the seaward boundary of Alaska. The Symbol "G" appearing next to the hectare amount for a portion of a block indicates that portion which lies within this 3-to-6 mile area. This area is subject to provisions of section 8(g) of the OCSLA (43 U.S.C. 1337) which provides for the sharing of any revenues received on these blocks with the State. Each split block portion listed under SPLIT BLOCKS must be bid on separately.

Split blocks referred to in the block list by an alpha designator (i.e., Block 6423 Area B) indicates that specific area so identified on the OCS Composite or Supplemental Block Diagram for that block. The letter symbol "D" appearing next to the hectare amount for a portion of a block indicates that portion of a block where a jurisdictional dispute between the Federal and State Governments is pending before the United States Supreme Court, United States of America v. State of Alaska, No. 84, Original. Nothing in this Notice shall affect or prejudice the legal position of the United States in this case.

Bidding units are a combination of various portions of adjacent blocks. The entire bidding unit is listed under the OPD where the first partial block is located. When part of the bidding unit is located on an adjacent OPD, the appropriate OPD number will be listed (i.e., Block 6482, NR 05-01). All parts of a bidding unit must be bid on together.

Copies of block diagrams for split blocks are available from the Alaska OCS Region Resource Center at the address stated in paragraph 2.

Official Protraction Diagram NR 05-01, Dease Inlet (approved February 1, 1996)

(1) WHOLE BLOCKS:

6004-6011	6304-6321	6604-6623	6912-6923
6054-6061	6354-6371	6654-6673	6963-6973
6104-6111	6404-6423	6706-6723	7014-7023
6154-6167	6454-6473	6758-6773	7066-7073
6204-6220	6504-6523	6810-6823	7118-7119
6254-6270	6554-6573	6861-6873	

(2) SPLIT BLOCKS:

Blocks	Hectares	Blocks	Hectares
6704 Area B	1516.137337	6961 Area B	2163.970265 G
6705 Area B	2226.342895	6962 Area A	1093.698875 G
6754 Area B	2037.091486 G	7011 Area B	505.907508 G
6755 Area A	2201.064140 G	7012 Area B	2224.479338 G

6757 Area B	2204.977437	7013 Area A	796.386744 G
6806 Area B	1874.224721 G	7062 Area B	804.288224 G
6807 Area A	2096.553441 G	7063 Area A	2193.223634 G
6809 Area B	2096.102978	7065 Area B	2256.833750
6858 Area B	1699.412545 G	7114 Area B	2011.318740 G
6859 Area A	2146.689830 G	7115 Area A	1986.779794 G
6860 Area A	679.854790 G	7117 Area B	2286.433181
6910 Area B	2224.088344 G	7120 Area B	2100.802806
6911 Area A	1059.463142 G	7121 Area B	1145.433447
6960 Area B	529.517057 G	7122 Area A	1505.527716 G
		7123 Area A	1329.591909 G

(3) BIDDING UNITS:

Blocks	Hectares	Total Hectares
6704 Area A	787.862663 G	
6705 Area A	77.657105 G	865.519768 G
6755 Area B	102.935860	
6756 Area B	1043.643113	1146.578973
6756 Area A	1260.356887 G	
6757 Area A	99.022563 G	1359.379450 G
6804 Area B	25.885767 G	
6805 Area B	569.268888 G	595.154655 G
6807 Area B	207.446559	
6808 Area B	967.035411	1174.481970
6808 Area A	1336.964589 G	
6809 Area A	207.897022 G	1544.861611 G
6856 Area B	105.175966 G	
6857 Area B	680.965432 G	786.141398 G
6859 Area B	157.310170	
6860 Area B	1624.145210	1781.455380
6908 Area B	.389914 G	
6909 Area B	928.155031 G	928.544945 G
6910 Area C	15.573454	
6911 Area B	1244.536858	1260.110312

6961 Area C	.412147	
6962 Area B	1210.301125	1210.713272
7012 Area C	17.706775	
7013 Area B	1507.613256	1525.320031
7063 Area B	110.776366	
7064 Area B	1356.002400	1466.778766
7064 Area A	947.997600 G	
7065 Area A	47.166250 G	995.163850 G
7112 Area B	.768534 G	
7113 Area B	846.655569 G	847.424103 G
7115 Area B	317.220206	
7116 Area B	1488.105600	1805.325806
7116 Area A	815.894400 G	
7117 Area A	17.566819 G	833.461219 G
7120 Area A	203.197194 G	
7121 Area A	1158.566553 G	1361.763747 G
7122 Area B	798.472284	
7123 Area B	974.408091	1772.880375

Official Protraction Diagram NR 05-02, Harrison Bay North (approved February 1, 1996)

(1) WHOLE BLOCKS:

6401-6404	6601-6612	6801-6818	7001-7023
6451-6454	6651-6662	6851-6868	7051-7073
6501-6506	6701-6716	6901-6923	7105-7123
6551-6556	6751-6766	6951-6973	

(2) SPLIT BLOCKS:

Blocks	Hectares
7101 Area B	1434.746943
7101 Area C	18.739046 GD
7102 Area B	1621.042769

7103 Area B	2125.999888
7104 Area B	2303.868519

(3) BIDDING UNITS:

Blocks	Hectares	Total Hectares
7101 Area A	850.514011 G	
7102 Area A	682.957231 G	
7103 Area A	178.000112 G	
7104 Area A	.131481 G	1711.602835 G

Official Protraction Diagram NR 05-03, Teshekpuk (approved February 1, 1996)

(1) WHOLE BLOCKS:

None

(2) SPLIT BLOCKS:

Blocks	Hectares
6017 Area B	2095.733687 G
6018 Area A	2149.926967 G
6019 Area A	2225.916616 G
6020 Area A	2009.558726 G
6021 Area A	2161.299920 G
6022 Area B	1725.203101 G
6023 Area B	1172.850287 G
6024 Area B	1449.496516 G

(3) BIDDING UNITS:

Blocks	Hectares	Total Hectares
6015 Area B	57.312785 G	
6016 Area B	982.683360 G	1039.996145 G
6018 Area B	154.073033	
6019 Area B	78.083384	
6020 Area B	294.441274	
6021 Area B	142.700080	669.297771

6067 Area B	105.001230 G	
6068 Area B	651.367452 G	
6069 Area B	455.762285 G	1212.130967 G
6070 Area B	689.579411 G	
6071 Area B	606.041153 G	
6072 Area B	3.736280 G	1299.356844 G

DISPUTED BIDDING UNITS:

Blocks	Hectares	Total Hectares
6024 Area C	7.386398 D	
6001 NR 05-04 Area C	75.902530 D	83.288928 D

Official Protraction Diagram NR 05-04, Harrison Bay (approved February 1, 1996)

(1) WHOLE BLOCKS:

6003	6110-6123	6261-6272	6415-6417
6007-6023	6160-6173	6312-6322	
6059-6073	6211-6222	6363-6370	

(2) SPLIT BLOCKS for NR 05-04, Harrison Bay:

Blocks	Hectares	Blocks	Hectares
6001 Area B	1816.494168 G	6310 Area B	2207.757788 G
6004 Area A	1964.600549 G	6311 Area A	694.562849 G
6006 Area B	2086.389821	6323 Area A	2245.918147
6055 Area B	1837.367207 G	6360 Area B	951.592080 G
6056 Area B	2229.751627 G	6371 Area B	1649.516033
6058 Area B	2217.289661	6373 Area C	76.133950 GD
6106 Area B	607.491404 G	6414 Area A	2301.178465
6107 Area B	1876.645904 G	6418 Area B	2140.706468
6108 Area B	496.574808	6419 Area B	1855.020936
6109 Area B	2249.487616	6421 Area B	2206.617255 G
6159 Area A	809.604567 G	6422 Area B	1292.341785 G
6208 Area B	1152.838040 G	6463 Area C	928.065371 GD
6210 Area B	2202.568837	6464 Area B	1832.683971 GD
6223 Area A	2207.761247	6466 Area A	537.259885 G
6260 Area A	1379.657040 G	6467 Area A	1946.180826 G
6260 Area B	924.342960	6468 Area A	2303.656020 G

6273 Area A	2240.192055	6469 Area B	2242.512061 G
		6516 Area B	2273.124935 G

DISPUTED SPLIT BLOCKS:

Blocks	Hectares
6513 Area B	1846.495134 D
6566 Area E	.933680 D

(3) BIDDING UNITS:

Blocks	Hectares	Total Hectares
6002 Area B	2082.036316 G	
6052 Area B	64.185274 G	2146.221590 G
6004 Area B	339.399451	
6005 Area B	1206.887883	1546.287334
6005 Area A	1097.112117 G	
6006 Area A	217.610179 G	1314.722296 G
6053 Area B	249.264764 G	
6054 Area B	862.817884 G	1112.082648 G
6056 Area C	74.120171	
6057 Area B	1122.203932	1196.324103
6057 Area A	1181.796068 G	
6058 Area A	86.710339 G	1268.506407 G
6108 Area A	1807.425192 G	
6109 Area A	54.512384 G	1861.937576 G
6157 Area B	91.803869 G	
6158 Area B	2024.732946 G	2116.536815 G
6159 Area B	1494.395433	
6209 Area B	336.440119	1830.835552
6209 Area A	1967.559881 G	
6210 Area A	101.431163 G	2068.991044 G

6258 Area B	44.775710 G	
6259 Area B	1832.148522 G	
6309 Area B	354.260638 G	2231.184870 G
6310 Area C	4.239677	
6311 Area B	1609.437151	1613.676828
6361 Area A	2102.660983 G	
6362 Area A	202.328029 G	2304.989012 G
6361 Area B	201.339017	
6362 Area B	2101.671971	2303.010988
6371 Area A	654.361567 G	
6372 Area A	1445.002281 G	2099.363848 G
6371 Area C	.122400 GD	
6420 Area C	159.847448 GD	
6421 Area E	1.305890 GD	161.275738 GD
6372 Area B	858.997719	
6373 Area B	792.691061	1651.688780
6373 Area A	1417.704479 G	
6374 Area A	190.667349 G	1608.371828 G
6410 Area B	6.444269 G	
6411 Area B	1634.481707 G	1640.925976 G
6412 Area A	1791.793604 G	
6413 Area A	164.976853 G	1956.770457 G
6412 Area B	463.442083	
6413 Area B	1678.351680	2141.793763
6412 Area C	48.764313 GD	
6413 Area C	460.671467 GD	
6414 Area B	2.821535 GD	512.257315 GD
6418 Area A	163.293532 G	
6419 Area A	448.979064 G	
6420 Area A	1162.416925 G	1774.689521 G

6420 Area B	981.735627	
6421 Area C	5.455835	987.191462
6423 Area B	1188.664321 G	
6424 Area B	159.998768 G	1348.663089 G
6461 Area B	158.689513 G	
6462 Area B	1232.529600 G	1391.219113 G
6463 Area A	1250.268080 G	
6513 Area A	46.338251 G	1296.606331 G
6464 Area A	471.316029	
6465 Area A	1562.637120	2033.953149
6466 Area B	1751.626782	
6467 Area B	357.819174	
6468 Area B	.343980	2109.789936
6465 Area B	741.362880 GD	
6466 Area C	15.113333 GD	756.476213 GD
6470 Area B	1745.492263 G	
6471 Area B	403.746975 G	2149.239238 G
6513 Area D	102.000631 GD	
6514 Area D	821.134976 GD	
6515 Area C	289.061073 GD	
6516 Area C	3.100967 GD	1215.297647 GD
6514 Area A	295.680046 G	
6515 Area A	1827.693964 G	2123.374010 G
6517 Area B	1193.894986 G	
6518 Area B	242.080404 G	
6519 Area B	15.028797 G	1451.004187 G
6565 Area B	94.202719 G	
6566 Area B	235.433878 G	329.636597 G

DISPUTED BIDDING UNITS:

Blocks	Hectares	Total Hectares
6421 Area D	2.167496 D	
6470 Area C	32.941676 D	
6471 Area C	397.332872 D	432.442044 D
6423 Area C	320.342621 D	
6424 Area C	44.859227 D	
6401 NR 06-03 Area C	7.684236 D	372.886084 D
6461 Area C	.192983 D	
6462 Area C	500.217474 D	
6463 Area B	125.666549 D	626.077006 D
6512 Area B	949.801557 D	
6562 Area B	1179.890669 D	2129.692226 D
6513 Area C	309.165984 D	
6514 Area C	250.416451 D	559.582435 D
6514 Area B	936.768527 D	
6515 Area B	187.244963 D	1124.013490 D
6563 Area B	2163.882206 D	
6613 Area B	49.402872 D	2213.285078 D
6564 Area B	1850.644050 D	
6614 Area B	117.250971 D	1967.895021 D
6565 Area C	657.543412 D	
6566 Area C	6.036666 D	663.580078 D
6565 Area D	.580254 D	
6566 Area D	3.337266 D	3.917520 D

Official Protraction Diagram NR 06-01, Beechey Point North (approved February 1, 1996)

(1) WHOLE BLOCKS:

6901	7001	7101-7113
6951	7051-7062	

(2) SPLIT BLOCKS:

None

(3) BIDDING UNITS:

None

Official Protraction Diagram NR 06-03, Beechey Point (approved February 1, 1996)

(1) WHOLE BLOCKS:

6002-6014	6152-6169	6304-6324	6470-6474
6052-6064	6203-6220	6360-6374	6521-6524
6102-6114	6253-6274	6410-6424	

(2) SPLIT BLOCKS for NR 06-03, Beechey Point:

Blocks	Hectares	Blocks	Hectares
6202 Area A	2141.893470	6512 Area A	1244.613587 G
6252 Area B	54.885083	6517 Area B	858.795283 G
6353 Area A	2030.782661 G	6518 Area B	1845.320650 G
6354 Area A	2077.163526 G	6519 Area A	1494.060709 G
6355 Area A	1580.483381 G	6519 Area B	548.365384
6357 Area B	2100.885142	6520 Area A	1993.727575
6358 Area A	2233.257980	6572 Area B	2124.559720
6359 Area A	2234.885813	6573 Area A	2232.651475
6406 Area B	1773.924860 G	6574 Area A	2234.225338
6409 Area C	54.483249	6621 Area B	1883.946114 G
6464 Area A	1285.448222 G	6673 Area A	2061.316348 G
6467 Area A	1823.523742 G	6723 Area C	649.887938 G
6469 Area B	2201.875587	6724 Area B	1722.244106 G
6510 Area C	1185.584351 G		

DISPUTED SPLIT BLOCKS:

Blocks	Hectares
6403 Area C	54.188905 D
6664 Area H	10.798192 D
6871 Area H	1.097685 D

(3) BIDDING UNITS:

Blocks	Hectares	Total Hectares
6302 Area B	53.201780	
6303 Area A	2235.197332	2288.399112
6351 Area A	197.636261 G	
6352 Area A	1910.590608 G	2108.226869 G
6353 Area D	3.057381	
6354 Area B	226.836474	
6355 Area B	723.516619	
6356 Area B	1292.063653	2245.474127
6356 Area A	1010.259940 G	
6357 Area A	132.425308 G	1142.685248 G
6401 Area B	157.280016 G	
6402 Area B	790.344473 G	
6403 Area B	638.600823 G	1586.225312 G
6404 Area B	627.287522 G	
6405 Area B	1172.342416 G	1799.629938 G
6407 Area C	2.009636 G	
6456 Area B	3.144125 G	
6457 Area B	100.414415 G	
6458 Area B	56.715093 G	162.283269 G
6459 Area B	121.759947 G	
6509 Area B	575.945106 G	697.705053 G
6459 Area E	1.672657 G	
6459 Area F	45.529974 G	
6460 Area A	1225.113688 G	1272.316319 G

6459 Area G	7.270061	
6460 Area B	1078.886312	1086.156373
6461 Area A	855.569123 G	
6462 Area A	39.042781 G	894.611904 G
6461 Area B	1106.886970	
6462 Area C	1051.535760	2158.422730
6461 Area C	341.543907 GD	
6462 Area D	1166.953119 GD	
6512 Area C	170.680093 GD	1679.177119 GD
6462 Area B	46.468340 G	
6463 Area A	962.747357 G	1009.215697 G
6463 Area C	347.178695 GD	
6464 Area C	1.115908 GD	348.294603 GD
6463 Area B	992.408640	
6464 Area B	948.102761	1940.511401
6465 Area B	1345.337023	
6466 Area B	939.249088	2284.586111
6465 Area A	880.513167 G	
6466 Area A	1337.944944 G	2218.458111 G
6465 Area C	78.149810 GD	
6466 Area C	26.805968 GD	104.955778 GD
6467 Area B	480.476258	
6468 Area B	1005.697186	1486.173444
6468 Area A	1298.302814 G	
6469 Area A	102.124413 G	1400.427227 G
6511 Area B	1317.049363 G	
6511 Area F	34.042331 G	1351.091694 G
6513 Area B	1325.471532 G	
6514 Area D	3.186090 G	1328.657622 G

6514 Area F	27.261596 G	
6515 Area B	1087.215396 G	
6516 Area B	937.645507 G	2052.122499 G
6519 Area C	261.573907 GD	
6520 Area B	310.272425 GD	
6569 Area C	15.336524 GD	
6569 Area D	8.137457 GD	
6570 Area D	395.552267 GD	
6570 Area E	792.421803 GD	
6571 Area C	218.697161 GD	2001.991544 GD
6568 Area B	169.382030 G	
6569 Area A	1450.542659 G	1619.924689 G
6570 Area B	89.615213	
6571 Area B	1200.170813	1289.786026
6570 Area A	1023.229843 G	
6620 Area B	639.967663 G	1663.197506 G
6571 Area A	885.132026 G	
6572 Area A	144.460532 G	1029.592558 G
6622 Area A	2043.745124 G	
6623 Area A	263.099557 G	2306.844681 G
6622 Area B	63.226068	
6623 Area B	176.632966	
6673 Area B	129.497196	369.356230
6624 Area C	1.670849	
6624 Area D	52.201562	53.872411
6623 Area D	1.669520	
6624 Area B	69.756912	
6674 Area B	1162.567898	1233.994330
6671 Area B	13.440127 G	
6672 Area B	1499.603175 G	
6722 Area B	4.975750 G	1518.019052 G

6673 Area C	45.549575 GD	
6674 Area C	258.282001 GD	303.831576 G
6674 Area A	883.150101 G	
6651 NR 06-04 Area A	470.398885 G	
6652 NR 06-04 Area A	2.250059 G	1355.799045 G

DISPUTED BIDDING UNITS:

Blocks	Hectares	Total Hectares
6511 Area I	18.547003 D	
6512 Area B	819.519862 D	
6513 Area C	627.248628 D	
6514 Area C	3.268556 D	1468.584049 D
6562 Area E	54.133710 D	
6563 Area B	519.111209 D	
6612 Area D	6.224107 D	
6613 Area B	95.276354 D	674.745380 D
6568 Area C	214.966103 D	
6569 Area B	829.983360 D	
6618 Area B	11.983782 D	
6619 Area B	471.468630 D	1528.401875 D
6570 Area C	3.180874 D	
6620 Area C	1056.588466 D	
6621 Area C	22.127843 D	1081.897183 D
6613 Area L	1.316685 D	
6614 Area F	8.346095 D	9.662780 D
6616 Area H	3.499116 D	
6665 Area G	2.265856 D	
6666 Area H	9.428979 D	15.193951 D
6663 Area F	.411756 D	
6664 Area J	3.242248 D	3.654004 D

6668 Area E	62.970317 D	
6669 Area D	47.853006 D	110.823323 D
6718 Area H	31.421963 D	
6719 Area B	1444.616901 D	
6720 Area B	142.812945 D	1618.851809 D
6718 Area F	16.036036 D	
6718 Area G	1.660841 D	
6768 Area B	11.596220 D	
6769 Area B	1023.168599 D	1052.461696 D
6723 Area D	465.197887 D	
6724 Area C	126.781009 D	591.978896 D
6770 Area B	1754.333492 D	
6771 Area B	189.251337 D	1943.584829 D
6819 Area B	8.574797 D	
6820 Area B	1968.218837 D	
6870 Area B	147.520199 D	
6871 Area G	23.682350 D	2147.996183 D
6874 Area B	34.102248 D	
6924 Area C	133.667472 D	
6901 NR 06-04 Area B	4.413421 D	172.183141 D

Official Protraction Diagram NR 06-04, Flaxman Island (approved February 1, 1996)

(1) WHOLE BLOCKS:

6301-6303	6501-6524	6653-6655	6766-6774
6351-6364	6551-6574	6663-6674	6817-6824
6401-6424	6601-6606	6704-6705	6866-6872
6451-6474	6609-6624	6715-6724	6915-6921
			6968

(2) SPLIT BLOCKS:

Blocks	Hectares	Blocks	Hectares
6607 Area A	2302.334207	6805 Area B	1223.505530 G
6608 Area A	2233.748312	6808 Area A	2014.479386 G
6651 Area B	1833.601115	6810 Area B	1943.785440
6652 Area B	2301.749941	6859 Area B	1515.550440 G
6656 Area A	2302.332537	6873 Area B	2276.149547
6657 Area A	2180.423375	6924 Area B	1457.018060 G
6660 Area A	2302.341549	6965 Area B	1544.757411
6661 Area A	2232.031285	6966 Area B	1868.592669
6662 Area A	2233.665193	6967 Area B	2291.773725

(2) SPLIT BLOCKS:

Blocks	Hectares	Blocks	Hectares
6701 Area B	2209.806140 G	6969 Area B	2278.392617
6702 Area B	623.500264	6971 Area A	1614.287008 G
6703 Area B	2078.768238	6972 Area B	2251.489294 G
6706 Area A	2252.189085	7014 Area F	9.027088 G
6714 Area A	2233.612276	7016 Area B	2204.439276 G
6753 Area A	2013.653448 G	7017 Area B	508.869863
6754 Area A	1537.332127 G	7018 Area B	1863.898998
6755 Area A	1377.977350 G	7019 Area A	1605.964167 G
6756 Area B	1167.150436	7019 Area B	698.035833
6756 Area D	.621251 G	7020 Area B	2056.212489 G
6760 Area A	2250.907837	7068 Area B	2271.117684 G
6804 Area B	1123.248884 G		

DISPUTED SPLIT BLOCKS:

Blocks	Hectares
6857 Area C	3.951632 D
7014 Area C	10.669170 D

(3) BIDDING UNITS:

Blocks	Hectares	Total Hectares
6658 Area B	51.626116	
6659 Area A	2233.734429	2285.360545
6702 Area A	1680.499736 G	
6703 Area A	225.231762 G	1905.731498 G
6707 Area B	71.824809	
6757 Area B	2077.292870	
6807 Area B	5.678601	2154.796280
6708 Area B	71.865330	
6758	2304.000000	2375.865330
6709 Area B	70.240582	
6759	2304.000000	2374.240582
6709 Area C	1.660430	
6709 Area D	51.536478	
6710 Area A	2250.901942	2304.098850
6712 Area B	51.279589	
6713 Area A	2232.003132	2283.282721
6751 Area B	195.020733 G	
6752 Area B	1399.851465 G	1594.872198 G
6753 Area B	290.346552	
6754 Area B	766.667873	
6755 Area B	892.984846	1949.999271
6756 Area C	17.188349 G	
6757 Area A	226.707130 G	243.895479 G
6764 Area B	51.189276	
6765 Area A	2233.590403	2284.779679
6802 Area D	85.202472 G	
6803 Area B	942.556106 G	1027.758578 G
6806 Area F	53.443721 G	
6807 Area A	2298.321399 G	2351.765120 G
6808 Area B	289.520614	
6809 Area B	929.873775	1219.394389

6809 Area A	1372.467864 G	
6810 Area A	258.125424 G	1630.593288 G
6811 Area B	71.888345	
6860 Area C	30.547487	
6861 Area B	951.392640	1053.828472
6812 Area B	71.901964	
6862 Area B	2169.468707	2241.370671
6813 Area B	70.289494	
6863 Area A	2252.741556	2323.031050
6814 Area B	1.652728	
6815 Area B	70.389368	
6864 Area C	1.652091	
6864 Area D	51.219152	
6865	2304.000000	2428.913339
6815 Area D	51.174139	
6815 Area C	1.652637	
6816	2304.000000	2356.826776
6856 Area B	.602672 G	
6857 Area B	369.712296 G	
6858 Area C	727.646270 G	1097.961238 G
6864 Area B	70.314043	
6914	2304.000000	2374.314043
6873 Area A	27.850453 G	
6874 Area A	485.182515 G	
6851 NR 07-03 Area A	793.119865 G	1306.152833 G
6874 Area B	899.883193	
6851 NR 07-03 Area B	591.945843	1491.829036
6912 Area D	32.535719	
6913 Area B	1797.010187	1829.545906

6922 Area A	550.270433 G	
6923 Area A	1753.862205 G	2304.132638 G
6922 Area B	1753.729567	
6923 Area B	550.137795	2303.867362
6963 Area G	2.684580	
6964 Area B	865.029131	867.713711
6963 Area F	48.559090 G	
6964 Area A	1368.713638 G	1417.272728 G
6965 Area A	754.155305 G	
6966 Area A	421.562948 G	
6967 Area A	12.226275 G	1187.944528 G
6965 Area C	5.087284 GD	
6966 Area C	13.844383 GD	18.931667 GD
6969 Area A	25.607383 G	
6970 Area A	823.853838 G	849.461221 G
6970 Area B	1480.146162	
6971 Area B	689.712992	
6972 Area C	11.554804	2181.413958
6973 Area B	1234.996685 G	
6974 Area B	292.100856 G	1527.097541 G
7014 Area H	41.862767 G	
7015 Area B	1911.125121 G	1952.987888 G
7017 Area A	1750.448638 G	
7018 Area A	347.294556 G	2097.743194 G
7017 Area C	44.681499 GD	
7018 Area C	92.806446 GD	137.487945 GD
7021 Area B	1292.604800 G	
7022 Area B	319.774837 G	1612.379637 G

7066 Area B	112.527213 G	
7067 Area B	1366.436760 G	1478.963973 G
7069 Area B	2135.058543 G	
7070 Area B	185.200947 G	2320.259490 G
7118 Area B	159.029862 G	
7119 Area B	441.050779 G	600.080641 G

DISPUTED BIDDING UNITS:

Blocks	Hectares	Total Hectares
6802 Area E	.174758 D	
6803 Area C	87.733584 D	87.908342 D
7015 Area C	19.955862 D	
7016 Area E	.162238 D	20.118100 D
7066 Area E	.031666 D	
7067 Area C	358.183697 D	358.215363 D

Official Protraction Diagram NR 07-03, Barter Island (approved February 1, 1996)

(1) WHOLE BLOCKS:

6401-6405	6601-6605	6801-6803
6451-6455	6651-6655	
6501-6505	6701-6705	
6551-6555	6751-6755	

(2) SPLIT BLOCKS:

Blocks	Hectares	Blocks	Hectares
6804 Area B	2178.037891	6854 Area A	2303.381715 G
6805 Area B	2285.855490	6855 Area A	2115.892432 G
6852 Area A	1427.547333 G	6855 Area B	188.107568
6853 Area A	1888.515007 G	6905 Area B	803.648492 G

(3) BIDDING UNITS:

Blocks	Hectares	Total Hectares
6804 Area A	125.962109 G	
6805 Area A	18.144510 G	144.106619 G
6852 Area B	876.452667	
6853 Area B	415.484993	
6854 Area B	.618285	1292.555945
6901 Area B	955.531820 G	
6902 Area B	1299.451616 G	2254.983436 G
6903 Area B	909.648483 G	
6904 Area B	281.073438 G	1190.721921 G

13. Lease Terms and Stipulations.

(a) Leases issued as a result of this sale will have initial terms of 10 years. Leases will be issued on Form MMS-2005 (March 1986). Copies of the lease form are available from the Regional Supervisor, Leasing and Environment, Alaska OCS Region, at the address stated in paragraph 2.

(b) The following stipulations will be included in leases resulting from this sale, as indicated.

Stipulation No. 1, Protection of Biological Resources

If biological populations or habitats that may require additional protection are identified in the lease area by the Regional Supervisor, Field Operations (RS/FO), the RS/FO may require the lessee to conduct biological surveys to determine the extent and composition of such biological populations or habitats. The RS/FO shall give written notification to the lessee of the RS/FO's decision to require such surveys.

Based on any surveys that the RS/FO may require of the lessee or on other information available to the RS/FO on special biological resources, the RS/FO may require the lessee to:

(1) Relocate the site of operations;

(2) Establish to the satisfaction of the RS/FO, on the basis of a site-specific survey, either that such operations will not have a significant adverse effect upon the resource identified or that a special biological resource does not exist;

(3) Operate during those periods of time, as established by the RS/FO, that do not adversely affect the biological resources; and/or

(4) Modify operations to ensure that significant biological populations or habitats deserving protection are not adversely affected.

If any area of biological significance should be discovered during the conduct of any operations on the lease, the lessee shall immediately report such findings to the RS/FO and make every reasonable effort to preserve and protect the biological resource from damage until the RS/FO has given the lessee direction with respect to its protection.

The lessee shall submit all data obtained in the course of biological surveys to the RS/FO with the locational information for drilling or other activity. The lessee may take no action that might affect the biological populations or habitats surveyed until the RS/FO provides written directions to the lessee with regard to permissible actions. The RS/FO will utilize the best available information as determined in consultation with the Arctic Biological Task Force.

Stipulation No. 2, Orientation Program

The lessee shall include in any exploration or development and production plans submitted under 30 CFR 250.33 and 250.34 a proposed orientation program for all personnel involved in exploration or development and production activities (including personnel of the lessee's agents, contractors, and subcontractors) for review and approval by the Regional Supervisor, Field Operations. The program shall be designed in sufficient detail to inform individuals working on the project of specific types of environmental, social, and cultural

concerns that relate to the sale and adjacent areas. The program shall address the importance of not disturbing archaeological and biological resources and habitats, including endangered species, fisheries, bird colonies, and marine mammals and provide guidance on how to avoid disturbance. This guidance will include the production and distribution of information cards on endangered and/or threatened species in the sale area. The program shall be designed to increase the sensitivity and understanding of personnel to community values, customs, and lifestyles in areas in which such personnel will be operating. The orientation program shall also include information concerning avoidance of conflicts with subsistence, commercial fishing activities, and pertinent mitigation.

The program shall be attended at least once a year by all personnel involved in onsite exploration or development and production activities (including personnel of the lessee's agents, contractors, and subcontractors) and all supervisory and managerial personnel involved in lease activities of the lessee and its agents, contractors, and subcontractors.

The lessee shall maintain a record of all personnel who attend the program onsite for so long as the site is active, not to exceed 5 years. This record shall include the name and date(s) of attendance of each attendee.

Stipulation No. 3, Transportation of Hydrocarbons

Pipelines will be required: (a) if pipeline rights-of-way can be determined and obtained; (b) if laying such pipelines is technologically feasible and environmentally preferable; and (c) if, in the opinion of the lessor, pipelines can be laid without net social loss, taking into account any incremental costs of pipelines over alternative methods of transportation and any incremental benefits in the form of increased environmental protection or reduced multiple-use conflicts. The lessor specifically reserves the right to require that any pipeline used for transporting production to shore be placed in certain designated management areas. In selecting the means of transportation, consideration will be given to recommendations of any advisory groups and Federal, State, and local governments and industry.

Following the development of sufficient pipeline capacity, no crude oil production will be transported by surface vessel from offshore production sites, except in the case of an emergency. Determinations as to emergency conditions and appropriate responses to these conditions will be made by the Regional Supervisor, Field Operations.

Stipulation No. 4, Industry Site-Specific Bowhead Whale-Monitoring Program

Lessees proposing to conduct exploratory drilling operations, including seismic surveys, during the bowhead whale migration will be required to conduct a site-specific monitoring program approved by the Regional Supervisor, Field Operations (RS/FO); unless, based on the

size, timing, duration, and scope of the proposed operations, the RS/FO, in consultation with the North Slope Borough (NSB) and the Alaska Eskimo Whaling Commission (AEWC), determine that a monitoring program is not necessary. The RS/FO will provide the NSB, AEWC, and the State of Alaska a minimum of 30 but no longer than 60 calendar days to review and comment on a proposed monitoring program prior to approval. The monitoring program must be approved each year before exploratory drilling operations can be commenced.

The monitoring program will be designed to assess when bowhead whales are present in the vicinity of lease operations and the extent of behavioral effects on bowhead whales due to these operations. In designing the program, lessees must consider the potential scope and extent of effects that the type of operation could have on bowhead whales. Scientific studies and individual experiences relayed by subsistence hunters indicate that, depending on the type of operations, individual whales may demonstrate avoidance behavior at distances of up to 24 km. The program must also provide for the following:

(1) Recording and reporting information on sighting of other marine mammals and the extent of behavioral effects due to operations,

(2) Inviting an AEWC or NSB representative to participate in the monitoring program as an observer,

(3) Coordinating the monitoring logistics beforehand with the MMS Bowhead Whale Aerial Survey Project (BWASP),

(4) Submitting daily monitoring results to the MMS BWASP,

(5) Submitting a draft report on the results of the monitoring program to the RS/FO within 60 days following the completion of the operation. The RS/FO will distribute this draft report to the AEWC, the NSB, the State of Alaska, and the National Marine Fisheries Service (NMFS).

(6) Submitting a final report on the results of the monitoring program to the RS/FO. The final report will include a discussion of the results of the peer review of the draft report. The RS/FO will distribute this report to the AEWC, the NSB, the State of Alaska, and the NMFS .

Lessees will be required to fund an independent peer review of a proposed monitoring plan and the draft report on the results of the monitoring program. This peer review will consist of independent reviewers who have knowledge and experience in statistics, monitoring marine mammal behavior, the type and extent of the proposed operations, and an awareness of traditional knowledge. The peer reviewers will be selected by the RS/FO from experts recommended by the NSB, the AEWC, industry, NMFS, and MMS. The results of these peer reviews will be provided to the RS/FO for consideration in final approval of the monitoring program and the final report, with copies to the NSB, AEWC, and the State of Alaska.

In the event the lessee is seeking a Letter of Authorization (LOA) or Incidental Harassment Authorization (IHA) for incidental take from the NMFS, the monitoring program and review process required under the LOA or IHA may satisfy the requirements of this stipulation. Lessees must advise the RS/FO when it is seeking an LOA or IHA in lieu of meeting the requirements of this stipulation and provide the RS/FO with copies of all pertinent submittals and resulting correspondence. The RS/FO will coordinate with the NMFS and advise the lessee if the LOA or IHA will meet these requirements.

This stipulation applies to the following blocks for the time periods listed and will remain in effect until termination or modification by the Department of the Interior, after consultation with the NMFS and the NSB.

SPRING MIGRATION AREA
April 1 through June 15

OPD	Blocks Included
NR 05-01, Dease Inlet	6004 - 6011, 6054 - 6061, 6104 - 6111, 6154 - 6167, 6204 - 6220, 6254 - 6270, 6304 - 6321, 6354 - 6371, 6404 - 6423, 6454 - 6473, 6504 - 6523, 6554 - 6573, 6604 - 6623, 6654 - 6673, 6717 - 6723
NR 05-02, Harrison Bay North	6401 - 6404, 6451 - 6454, 6501 - 6506, 6551 - 6556, 6601 - 6612, 6651 - 6662, 6701 - 6716

CENTRAL FALL MIGRATION AREA
September 1 through October 31

OPD	Blocks Included
NR 05-01, Dease Inlet	6704 - 6716, 6754 - 6773, 6804 - 6823, 6856 - 6873, 6908 - 6923, 6960 - 6973, 7011 - 7023, 7062 - 7073, 7112 - 7123
NR 05-03, Teshekpuk	6015 - 6024, 6067 - 6072
NR 05-02, Harrison Bay North	6751 - 6766, 6801 - 6818, 6851 - 6868, 6901 - 6923, 6951 - 6973, 7001 - 7023, 7051 - 7073, 7101 - 7123

NR 05-04, Harrison Bay	6001 - 6023, 6052 - 6073, 6105 - 6123, 6157 - 6173, 6208 - 6223, 6258 - 6274, 6309 - 6324, 6360 - 6374, 6360 - 6374, 6410 - 6424, 6461 - 6471, 6512 - 6519, 6562 - 6566, 6613 - 6614
NR 06-01, Beechey Point North	6901, 6951, 7001, 7051 - 7062, 7101 - 7113
NR 06-03, Beechey Point	6002 - 6014, 6052 - 6064, 6102 - 6114, 6152 - 6169, 6202 - 6220, 6251 - 6274, 6301 - 6324, 6351 - 6374, 6401 - 6424, 6456 - 6474, 6509 - 6524, 6568 - 6574, 6618 - 6624, 6671 - 6674, 6723 - 6724, 6773
NR 06-04, Flaxman Island	6301 - 6303, 6351 - 6359, 6401 - 6409, 6451 - 6459, 6501 - 6509, 6551 - 6559, 6601 - 6609, 6651 - 6659, 6701 - 6709, 6751 - 6759, 6802 - 6809, 6856 - 6859

EASTERN FALL MIGRATION
August 1 through October 31

OPD	Blocks Included
NR 06-04, Flaxman Island	6360 - 6364, 6410 - 6424, 6460 - 6474, 6510 - 6524, 6560 - 6574, 6610 - 6624, 6660 - 6674, 6710 - 6724, 6760 - 6774, 6810 - 6824, 6860 - 6874, 6910 - 6924, 6961 - 6974, 7013 - 7022, 7066 - 7070, 7118 - 7119
NR 07-03, Barter Island	6401 - 6405, 6451 - 6455, 6501 - 6505, 6551 - 6555, 6601 - 6605, 6651 - 6655, 6701 - 6705, 6751 - 6755, 6801 - 6805, 6851 - 6855, 6901 - 6905

OPD	Blocks Included
NR 07-04, Mackenzie Canyon North	6401 - 6408, 6451 - 6458, 6501 - 6507, 6551 - 6557, 6601 - 6607, 6651 - 6657, 6701 - 6707, 6751 - 6757, 6801 - 6806, 6851 - 6856, 6901 - 6906, 6951 - 6956, 7001 - 7006, 7051 - 7055, 7101 - 7105
NR 07-05, Demarcation Point	6016 - 6026, 6067 - 6076, 6118 - 6126, 6169 - 6176, 6221- 6226, 6273 - 6276, 6323 - 6326
NR 07-06, Mackenzie Canyon	6001 - 6004, 6051 - 6054, 6101 - 6103, 6151 - 6153, 6201 - 6203, 6251 - 6252, 6301 - 6302, 6351

Stipulation No. 5, Subsistence Whaling and Other Subsistence Activities

Exploration and development and production operations shall be conducted in a manner that prevents unreasonable conflicts between the oil and gas industry and subsistence activities (including, but not limited to, bowhead whale subsistence hunting).

Prior to submitting an exploration plan or development and production plan (including associated oil-spill contingency plans) to the MMS for activities proposed during the bowhead whale migration period, the lessee shall consult with the potentially affected subsistence communities, Barrow, Kaktovik, or Nuiqsut, the North Slope Borough (NSB), and the Alaska Eskimo Whaling Commission (AEWC) to discuss potential conflicts with the siting, timing, and methods of proposed operations and safeguards or mitigating measures which could be implemented by the operator to prevent unreasonable conflicts. Through this consultation, the lessee shall make every reasonable effort to assure that exploration, development, and production activities are compatible with whaling and other subsistence hunting activities and will not result in unreasonable interference with subsistence harvests.

A discussion of resolutions reached during this consultation process and plans for continued consultation shall be included in the exploration plan or the development and production plan. In particular, the lessee shall show in the plan how activities will be scheduled and located to prevent unreasonable conflicts with subsistence activities. Lessees shall also include a discussion of multiple or simultaneous operations, such as ice management and seismic activities, that can be expected to occur during operations in order to more accurately assess the potential for any cumulative affects. Communities, individuals, and other entities who were involved in the consultation shall be identified in the plan. The RS/FO shall send a copy of the exploration plan or development and production plan (including associated oil-spill contingency plans) to the potentially affected communities, and the AEWC at the time they are submitted to the MMS to allow concurrent review and comment as part of the plan approval process.

In the event no agreement is reached between the parties, the lessee, the AEWC, the NSB, the National Marine Fisheries Service (NMFS), or any of the subsistence communities that could potentially be affected by the proposed activity may request that the RS/FO assemble a group consisting of representatives from the subsistence communities, AEWC, NSB, NMFS, and the lessee(s) to specifically address the conflict and attempt to resolve the issues before making a final determination on the adequacy of the measures taken to prevent unreasonable conflicts with subsistence harvests. Upon request, the RS/FO will assemble this group before making a final determination on the adequacy of the measures taken to prevent unreasonable conflicts with subsistence harvests.

The lessee shall notify the RS/FO of all concerns expressed by subsistence hunters during operations and of steps taken to address such concerns. Lease-related use will be restricted when the RS/FO determines it is necessary to prevent unreasonable conflicts with local subsistence hunting activities.

In enforcing this stipulation, the RS/FO will work with other agencies and the public to assure that potential conflicts are identified and efforts are taken to avoid these conflicts, (for example, timing operations to avoid the bowhead whale subsistence hunt). These efforts might include a seasonal drilling restrictions, seismic and threshold depth restrictions, and requirements for directional drilling and the use of other technologies deemed appropriate by the RS/FO.

Subsistence whaling activities occur generally during the following periods:

August to October: Kaktovik whalers use the area circumscribed from Anderson Point in Camden Bay to a point 30 kilometers north of Barter Island to Humphrey Point east of Barter Island. Nuiqsut whalers use an area extending from a line northward of the Nechelik Channel of the Colville River to Flaxman Island, seaward of the Barrier Islands.

September to October: Barrow hunters use the area circumscribed by a western boundary extending approximately 15 kilometers west of Barrow, a northern boundary 50 kilometers north of Barrow, then southeastward to a point about 50 kilometers off Cooper Island, with an eastern boundary on the east side of Dease Inlet. Occasional use may extend eastward as far as Cape Halkett.

Stipulation No. 6, Agreement Between the United States of America and the State of Alaska

This stipulation applies to the following blocks or portions of blocks referred to in this Notice as disputed: NR 05-03, Teshekpuk, block 6024; NR 05-04, Harrison Bay, blocks 6001, 6421, 6423-6424, 6461-6463, 6470-6471, 6512-6515, 6562-6566, 6613-6614; NR 06-03, Beechey Point, blocks 6401, 6403, 6511-6514, 6562-6563, 6568-6570, 6612-6614, 6616, 6618-6621, 6663-6666, 6668-6669, 6718-6720, 6723-6724, 6768-6771, 6819-6820, 6870-6871, 6874, 6924; NR 06-04, Flaxman Island, blocks 6802-6803, 6857, 6901, 7014-7016, 7066-7067.

This lease is subject to the "Agreement Between the United States of America and the State of Alaska Pursuant to Section 7 of the Outer Continental Shelf Lands Act and Alaska Statutes 38.05.137 for the Leasing of Disputed Blocks in Federal Outer Continental Shelf Oil and Gas Lease Sale 144 and State Oil and Gas lease Sale 86" (referred to as the "Agreement"), and the lessee hereby consents to every term of that Agreement. Nothing in that Agreement or this Notice shall affect or prejudice the legal position of the United States in *United States of America v. State of Alaska*, United States Supreme Court No. 84, Original.

Any loss incurred or sustained by the lessee as a result of obtaining validation and recognition of this lease pursuant to the Agreement, and in particular any loss incurred or sustained by the lessee as a result of conforming this lease with any and all provisions of all applicable laws of the party prevailing in *United States of America v. State of Alaska*, No. 84 Original, shall be borne exclusively by the lessee.

No taxes payable to the State of Alaska will be required to be paid with respect to this lease until such time as ownership of or jurisdiction over the lands subject to this lease is resolved. In the event that the lands subject to this lease or any portion of them are judicially determined to be State lands, the lessee shall pay to the State of Alaska a sum equivalent to the State taxes which would have been imposed under Alaska law if the lands, or portion thereof determined to be State lands, had been undisputed State lands from the date the lease was executed, plus interest at the annual legal rate of interest provided under Alaska law accruing from the date the taxes

would have become due under Alaska law. Such payment shall be in lieu of, and in satisfaction of, the actual State taxes.

Stipulation No. 7, Agreement Regarding Unitization

This stipulation applies to the following blocks or portions of blocks referred to in this Notice as disputed: NR 05-03, Teshekpuk, block 6024; NR 05-04, Harrison Bay, blocks 6001, 6421, 6423-6424, 6461-6463, 6470-6471, 6512-6515, 6562-6566, 6613-6614; NR 06-03, Beechey Point, blocks 6401, 6403, 6511-6514, 6562-6563, 6568-6570, 6612-6614, 6616, 6618-6621, 6663-6666, 6668-6669, 6718-6720, 6723-6724, 6768-6771, 6819-6820, 6870-6871, 6874, 6924; NR 06-04, Flaxman Island, blocks 6802-6803, 6857, 6901, 7014-7016, 7066-7067.

This lease is subject to the "Agreement Regarding Unitization for the Outer Continental Shelf Oil and Gas Lease Sale 144 and State Oil and Gas Lease Sale 86 Between the United States of America and the State of Alaska" and the lessee is bound by the terms of that Agreement.

14. Information to Lessees.

(a) Information on Community Participation in Operations Planning. Lessees are encouraged to bring one or more residents of communities in the area of operations into their planning process. Local communities often have the best understanding of how oil and gas activities can be safely conducted in and around their area without harming the environment or

interfering with community activities. Involving local community residents in the earliest stages of the planning process for proposed oil and gas activities can be beneficial to the industry and the community. Community representation on management teams developing plans of operation, oil spill contingency plans, and other permit applications can help communities understand permitting obligations and help industry to understand community values and expectations for oil and gas operations being conducted in and around their area.

(b) Information on Kaktovikmiut Guide - "In This Place." The people of Kaktovik, the Kaktovikmiut, have compiled "A Guide for Those Wishing to Work in The Country of the Kaktovikmiut." The guide's intent, in part, is to provide information that may promote a better understanding of their concerns. Lessees are encouraged to obtain copies of the guide and to incorporate it into their Orientation Program to assist in fostering sensitivity and understanding of personnel to community values, customs, and lifestyles in areas in which they will be operating.

(c) Information on Nuiqsutmiut Paper. The people of Nuiqsut, the Nuiqsutmiut, have compiled a paper for people working in their country. The paper provides information that may promote a better understanding of their concerns. Lessees are encouraged to obtain copies of the paper and to incorporate it into their Orientation Program to assist in fostering sensitivity and understanding of personnel to community values, customs, and lifestyles in areas in which they will be operating.

(d) Information on the Arctic Biological Task Force. Lessees are advised that in the enforcement of the Protection of Biological Resources stipulation, the Regional Supervisor, Field Operations (RS/FO), will consider recommendations from the Arctic Biological Task Force (BTF) composed of designated representatives of the MMS, Fish and Wildlife Service (FWS), National Marine Fisheries Service (NMFS), and Environmental Protection Agency (EPA). Personnel from the State of Alaska and local communities are invited and encouraged to participate in the proceedings of the BTF. The RS/FO will consult with the Arctic BTF on the conduct of biological surveys by lessees and the appropriate course of action after surveys have been conducted.

(e) Information on Bird and Marine Mammal Protection. Lessees are advised that during the conduct of all activities related to leases issued as a result of this sale, the lessee and its agents, contractors, and subcontractors will be subject to the provisions of the Marine Mammal Protection Act (MMPA) of 1972, as amended (16 U.S.C. 1361 et seq.); the Endangered Species Act (ESA), as amended (16 U.S.C. 1531 et seq.); and applicable International Treaties.

Lessees and their contractors should be aware that disturbance of wildlife could be determined to constitute harm or harassment and thereby be in violation of existing laws and treaties. With respect to endangered species and marine mammals, disturbance could be determined to constitute a "taking" situation. Under the ESA, the term "take" is defined to mean "harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct." Under the MMPA, "take" means "harass, hunt, capture, or kill or attempt

to harass, hunt, capture, or kill any marine mammal." These Acts and applicable Treaties require violations be reported to the NMFS or the FWS, as appropriate.

Incidental taking of marine mammals and endangered and threatened species is allowed only when the statutory requirements of the MMPA and/or the ESA are met. Section 101(a)(5) of the MMPA (16 U.S.C. 1371(a)(5)) allows for the taking of small numbers of marine mammals incidental to a specified activity within a specified geographical area. Section 7(b)(4) of the ESA (16 U.S.C. 1536(b)(4)) allows for the incidental taking of endangered and threatened species under certain circumstances. If a marine mammal species is listed as endangered or threatened under the ESA, the requirements of both the MMPA and the ESA must be met before the incidental take can be allowed.

Under the MMPA and ESA, the NMFS is responsible for species of the order Cetacea (whales and dolphins) and the suborder Pinnipedia (seals and sea lions) except walrus; the FWS is responsible for polar bears, sea otters, walrus, and birds. Procedural regulations implementing the provisions of the MMPA are found at 50 CFR Part 18.27 for FWS, and at 50 CFR Part 228 for NMFS.

Lessees are advised that specific regulations must be applied for and in place and that a Letter of Authorization (LOA) or Incidental Harassment Authorization (IHA) must be obtained by those proposing the activity to allow the incidental take of marine mammals whether or not they are endangered or threatened. The regulatory process may require 1 year or longer.

Of particular concern is disturbance at major wildlife concentration areas, including bird colonies, marine mammal haulout and breeding areas, and wildlife refuges and parks. Maps depicting major wildlife concentration areas in the lease area are available from the RS/FO. Lessees are also encouraged to confer with the FWS and NMFS in planning transportation routes between support bases and leaseholdings.

Lessees should exercise particular caution when operating in the vicinity of species whose populations are known or thought to be declining and which are not protected under the ESA; specifically, Steller's eider and Pacific walrus. The FWS issued incidental take regulations for walruses in the Beaufort Sea and adjacent northern coast of Alaska that were in effect for an 18-month period beginning December 16, 1993 (50 CFR 18.121 et seq.). These regulations have been extended until December 15, 1998. Incidental take regulations are promulgated only upon request, and the FWS must be in receipt of a petition prior to initiating the regulatory process. Incidental, but not intentional, taking is authorized only by U.S. citizens holding an LOA issued pursuant to these regulations. An LOA or IHA must be requested annually.

Behavioral disturbance of most birds and mammals found in or near the lease area would be unlikely if aircraft and vessels maintain at least a 1-mile horizontal distance and aircraft maintain at least a 1,500-foot vertical distance above known or observed wildlife concentration areas, such as bird colonies and marine mammal haulout and breeding areas.

For the protection of endangered whales and marine mammals throughout the lease area, it is recommended that all aircraft operators maintain a minimum 1,500-foot altitude when in transit between support bases and exploration sites. Lessees and their contractors are encouraged to minimize or reroute trips to and from the leasehold by aircraft and vessels when endangered whales are likely to be in the area.

Human safety should take precedence at all times over these recommendations.

(f) Information on River Deltas. Lessees are advised that certain river deltas of the Beaufort Sea coastal plain (such as the Kongakut, Canning, and Colville) have been identified by the FWS as special habitats for bird nesting and fish overwintering areas, as well as other forms of wildlife. Shore-based facilities in these river deltas may be prohibited by the permitting agency.

(g) Information on Endangered Whales and MMS Monitoring Program. Lessees are advised that the MMS intends to continue its areawide endangered bowhead whale monitoring program in the Beaufort Sea during exploration activities. The program will gather information on whale distribution patterns which will be used by MMS and others to assess impacts on bowhead whales.

The MMS will perform an environmental review for each proposed exploration plan and development and production plan, including an assessment of cumulative effects of noise on endangered whales. Should the review conclude that activities described in the plan will be a

threat of serious, irreparable, or immediate harm to the species, the RS/FO will require that activities be modified, or otherwise mitigated before such activities would be approved.

Lessees are further advised that the RS/FO has the authority and intends to limit or suspend any operations, including preliminary activities, as defined under 30 CFR 250.31, on a lease whenever bowhead whales are subject to a threat of serious, irreparable, or immediate harm to the species. Should the information obtained from MMS or lessees' monitoring programs indicate that there is a threat of serious, irreparable, or immediate harm to the species, the RS/FO will require the lessee to suspend operations causing such effects, in accordance with 30 CFR 250.10. Any such suspensions may be terminated when the RS/FO determines that circumstances which justified the ordering of suspension no longer exist. Notice to Lessees No. 86-2 specifies performance standards for preliminary activities.

Incidental taking of marine mammals and endangered and threatened species is allowed only when the statutory requirements of the MMPA and/or the ESA are met. Section 101(a)(5) of the MMPA (16 U.S.C. 1371(a)(5)) allows for the taking of small numbers of marine mammals incidental to a specified activity within a specified geographical area. Section 7(b)(4) of the ESA (16 U.S.C. 1536(b)(4)) allows for the incidental taking of endangered and threatened species under certain circumstances. If a marine mammal species is listed as endangered or threatened under the ESA, the requirements of both the MMPA and the ESA must be met before the incidental take can be allowed.

Information regarding endangered whales will be reviewed periodically by the MMS in consultation with the NMFS, the State of Alaska, the North Slope Borough (NSB), and the Alaska Eskimo Whaling Commission (AEWC). The sources of information include: the MMS monitoring program; the industry site-specific monitoring program; pertinent results of the MMS environmental studies; observations of subsistence hunters utilizing the area and other applicable information. The purpose of the review will be to determine whether existing mitigating measures adequately protect the endangered whales. Should the review indicate the threat of serious, irreparable, or immediate harm to the species, the MMS will take action to protect the species, including the possible imposition of a seasonal drilling restriction, or other restrictions if appropriate.

(h) Information on the Availability of Bowhead Whales for Subsistence Hunting Activities. Lessees are advised that the NMFS issues regulations for incidental take of marine mammals, including bowhead whales. Incidental take regulations are promulgated only upon request, and the NMFS must be in receipt of a petition prior to initiating the regulatory process. Incidental takes of bowhead whales are allowed only if an LOA or an IHA is obtained from the NMFS pursuant to the regulations in effect at the time. An LOA or an IHA must be requested annually. In issuing an LOA or an IHA, the NMFS must determine that proposed activities will not have an unmitigable adverse effect on the availability of the bowhead whale to meet subsistence needs by causing whales to abandon or avoid hunting areas, directly displacing subsistence users, or placing physical barriers between whales and subsistence users.

Lessees are also advised that, in reviewing proposed exploration plans which propose activities during the bowhead whale migration, the MMS will conduct an environmental review of the potential effects of the activities, including cumulative effects of multiple or simultaneous operations, on the availability of the bowhead whale for subsistence use. The MMS may limit or require operations be modified if they could result in significant effects on the availability of the bowhead whale for subsistence use.

The MMS and the NMFS will establish procedures to coordinate results from site-specific surveys required by Sale 144 Stipulation No. 4 and NMFS LOA's or IHA's to determine if further modification to lease operations are necessary.

(i) Information on Consultation with NMFS to Protect Bowhead Whales in the Spring-Lead System. The MMS has been advised by the NMFS that, based on currently available information and technology, NMFS believes that development and production activities in the spring lead systems used by bowhead whales along the Chukchi Sea coast and extending to the northeast of Point Barrow would likely jeopardize the continued existence of the bowhead whale population. The NMFS has advised that they will reconsider this conclusion when new information, technology, and/or measures become available or are proposed that would effectively eliminate or otherwise mitigate this potential jeopardy situation. In addition, NMFS biological opinions are based on the assumption that there will not be any exploration within the spring-lead system. Therefore, the lessees are advised that MMS and NMFS will review exploration plans to ascertain if endangered species consultation will be required for activities planned during the

spring (April 1 to June 15). Lessees are advised that specific options, alternatives, and/or mitigating measures may be developed for exploration, production, and development activities during MMS consultation with NMFS as new information or technology is developed for specific development plans, but that the possibility exists that exploration, development, and production on leases in this area may be constrained or precluded.

(j) Information on Geological and Geophysical Survey Activity. Lessees are advised of the potential effect of geological and geophysical (G&G) activity to bowhead whales and subsistence hunting activities. High resolution G&G surveys are distinguished from 2-D and 3-D geophysical surveys by the magnitude of the energy source used in the survey, the size of the survey area, the number and length of arrays used, and duration of the survey period. High resolution G&G surveys are typically conducted after a lease sale in association with a specific exploration or development program or in anticipation of future lease sale activity. The 2-D and 3-D geophysical surveys are typically conducted prior to lease sales.

Lessees are advised that all G&G survey activity conducted in the Beaufort Sea Planning Area, either under the pre-lease permitting regulations at 30 CFR 251, or as part of an approved exploration or development and production plan at 30 CFR 250, is subject to environmental and regulatory review by the MMS. It is the intention of MMS to treat pre-lease G&G activities in a manner similar to the post-lease G&G activities. The MMS has standard mitigating measures which are applied to these activities, and lessees are encouraged to review these measures before developing their applications for G&G permits. Copies of the non-proprietary portions of all

G&G permit applications will be provided by MMS to the NSB, the AEWC, and potentially affected subsistence communities for comment. The MMS may impose restrictions (including the timing of operations relative to open water) and other requirements (such as having a locally approved coordinator on board) on G&G surveys to minimize unreasonable conflicts between the G&G survey and subsistence whaling activities.

Lessees and applicants are advised that MMS will require any proposed G&G activity to be coordinated with potentially affected subsistence communities, the NSB, and the AEWC to identify potential conflicts and develop plans to avoid these conflicts. Copies of the results of any required monitoring plans will be provided by MMS to the potentially affected subsistence communities, the NSB, and the AEWC for comment. In the event of no agreement, a similar conflict resolution process as described in Stipulation No. 5 - *Subsistence Whaling and Other Subsistence Activities* will be implemented

(k) Information on Polar Bear Interaction. Lessees are advised that polar bears may be present in the area of operations, particularly during the solid-ice period. Lessees should conduct their activities in a manner which will limit potential encounters and interaction between lease operations and polar bears. The FWS is responsible for the protection of polar bears under the provisions of the MMPA of 1972, as amended. Lessees are advised to contact the FWS regarding proposed operations and actions which might be taken to minimize interaction with polar bears. OCS Study MMS 93-0008 contains guidelines for oil and gas operations in polar bear habitats.

Lessees are advised that the FWS issued final regulations for incidental take of polar bears in the Beaufort Sea and adjacent northern coast of Alaska effective December 16, 1993 (50 CFR 18.111, et seq.). These regulations were in effect for an 18-month period and have been extended for an additional 40 months through December 15, 1998. The FWS must be in receipt of a petition for incidental take prior to initiating the regulatory process. Incidental takes of polar bears are allowed only if an LOA or an IHA is obtained from the FWS pursuant to the regulations in effect at the time. An LOA or an IHA must be requested annually.

Lessees are reminded of the provisions of the 30 CFR 250.40 regulations which prohibit discharges of pollutants into offshore waters. Trash, waste, or other debris which might attract polar bears or be harmful to polar bears should be properly stored and disposed of to minimize attraction of, or encounters with, polar bears.

The lessees are advised to read and be familiar with the Guidelines for Oil and Gas Operations in Polar Bear Habitats, OCS Study MMS 93-0008. Copies of these guidelines are available for the lessees from the MMS Alaska Regional office.

(l) Information on the Spectacled Eider and Steller's Eider. Lessees are advised that in 1993 the spectacled eider (*Somateria fischeri*) was listed as threatened by the FWS and is protected by the ESA of 1973, as amended 16 U.S.C. 1531 et seq.). Lessees are further advised that the Steller's eider (*Polysticta stelleri*) is being considered by the FWS for listing as an endangered species under the ESA.

Lessees are advised that exploration and development and production plans submitted to MMS will be reviewed by the FWS to ensure spectacled eider's and their habitats are protected. If the Steller's eider is listed as endangered under the ESA, it will be afforded similar protection.

(m) Information on Sensitive Areas To Be Considered in the Oil-Spill Contingency Plans (OSCP). Lessees are advised that certain areas are especially valuable for their concentrations of marine birds, marine mammals, fishes, or other biological resources or cultural resources and should be considered when developing OSCP's. Identified areas and time periods of special biological and cultural sensitivity include:

(1) the lead system off Point Barrow, April-June;

(2) the salt marshes from Kogru Inlet to Smith Bay, June-September;

(3) the Plover Islands, June-September;

(4) the Boulder Patch in Stefansson Sound, June-October;

(5) the Camden Bay area (especially the Nuvugag and Kaninniivik hunting sites), January, April-September, November;

(6) the Canning River Delta, January-December;

(7) the Barter Island - Demarcation Point Area, January-December;

(8) the Colville River Delta, January-December;

(9) the Cross, Pole, Egg, and Thetis Islands, June-September;

(10) the Flaxman Island waterfowl use and polar bear denning areas, January-December; (Leffingwell Cabin, a National Historic Site, is located on Flaxman Island);

(11) the Jones Island Group (Pingok, Spy, and Leavitt Islands) and Pole Island are known polar bear denning areas, November-April; and

(12) the Sagavanirktok River delta.

These areas are among areas of special biological and cultural sensitivity to be considered in the OSCP required by 30 CFR 250.42. Lessees are advised that they have the primary responsibility for identifying these areas in their OSCP's and for providing specific protective measures. Additional areas of special biological and cultural sensitivity may be identified during review of exploration plans and development and production plans.

Industry should consult with FWS or State of Alaska personnel to identify specific environmentally sensitive areas within National Wildlife Refuges or State special areas which should be considered when developing a project-specific OSCP.

Consideration should be given in an OCSP as to whether use of dispersants is an appropriate defense in the vicinity of an area of special biological and cultural sensitivity. Lessees are advised that prior approval must be obtained before dispersants are used.

(n) Information on Oil-Spill-Cleanup Capability. Exploratory drilling, testing, and other downhole activities will be prohibited in broken-ice conditions unless the lessee demonstrates to the RS/FO, the capability to detect, contain, clean up, and dispose of spilled oil in broken ice. For production operations, spill response plans must include a thorough evaluation of the burnability and emulsification characteristics of the field's crude oil under Arctic open-water and broken-ice conditions. The adequacy of these plans will be determined by the RS/FO with full consideration of the comments and recommendations received through the public review process. Lessees may be required to conduct additional field tests to verify response capabilities in broken-ice conditions.

(o) Information on Oil-Spill-Response Preparedness. Lessees are advised that they must be prepared to respond to oil spills which could occur as a result of offshore oil and gas exploration and development activities. With or prior to submitting a plan of exploration or a development and production plan, the lessee will submit for approval an OSCP in accordance with 30 CFR 250.42 and 30 CFR 254. Of particular concern are sections of the OSCP which address potential spill size and trajectory, specific actions to be taken in the event of a spill, the location and appropriateness of oil-spill equipment, and the ability of the lessee to protect communities and important resources from adverse effects of a spill. In the event local communities could be immediately affected by a spill, lessees are encouraged to stage response equipment within those communities and to utilize community resources in their response effort. In addition, lessees will be required to conduct spill response drills which include deployment of equipment to demonstrate response preparedness for spills under realistic conditions. Guidelines for oil-spill-

contingency planning and response drills which supplement 30 CFR 250.43 and 30 CFR 254 have been developed and are available from the RS/FO.

(p) Information on the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.). Lessees are advised that Section 1016(c)(1) of the Oil Pollution Act (OPA) of 1990 (33 U.S.C. 2716(c)(1)) requires that lessees establish and maintain evidence of financial responsibility of $150,000,000 for offshore facilities. This provision supersedes the $35,000,000 requirement under Title III of the OCSLA, as amended (43 U.S.C. 1814). The authority to administer this provision has been transferred from the U. S. Coast Guard (USCG) to the MMS. On April 16, 1993, MMS issued a Notice to Lessees, No. 93-1N, to establish interim guidelines for certificates of oil spill financial responsibility. The interim guidelines retain the $35,000,000 oil spill financial responsibility requirement for offshore facilities until new superseding regulations are issued.

In addition, the MMS issued interim regulations at 30 CFR 254 pursuant to the Federal Water Pollution Control Act (33 U.S.C. 1321(j)), as amended by section 4202(b)(4) of the OPA, addressing oil spill response plans for offshore facilities. The OCS lease activities will be subject to the provisions of this interim rule and subsequent final regulations in addition to existing OSCP regulations at 30 CFR 250 issued under the OCSLA.

(q) Information on Coastal Zone Management. The State of Alaska will review OCS plans and associated OSCP's through the review process for consistency with the Alaska Coastal Management Program (ACMP). The ACMP includes statewide standards found in 6 AAC 80

and enforceable policies found within approved coastal district programs. Contingency plans will be reviewed for compliance with state standards, the use of best available and safest technologies, and with state and regional contingency plans on a case-by-case basis.

(r) Information on Navigational Safety. Operations on some of the blocks offered for lease may be restricted by designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the USCG pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.), as amended. Lessees are encouraged to contact the USCG regarding any identified restrictions. The U.S. Corps of Engineers permits are required for construction of any artificial islands, installations, and other devices permanently or temporarily attached to the seabed located on the OCS in accordance with section 4(e) of the OCSLA, as amended.

For additional information, prospective bidders should contact the U.S. Coast Guard, 17th Coast Guard District, P.O. Box 3-5000, Juneau, Alaska 99802, (907) 586-7355. For Corps of Engineers information, prospective bidders should contact U.S. Corps of Engineers, Alaska District, Regulatory Branch (1145b), P.O. Box 898, Anchorage, Alaska 99506-0898, (907) 753-2724.

(s) Information on Offshore Pipelines. Lessees are advised that the Department of the Interior and the Department of Transportation have entered into a Memorandum of Understanding, dated May 6, 1976, concerning the design, installation, operation, and maintenance of offshore pipelines. Bidders should consult both departments for regulations applicable to offshore pipelines.

(t) Information on Affirmative Action Requirements. Revision of Department of Labor regulations on affirmative action requirements for Government contractors (including lessees) has been deferred, pending review of those regulations (see *Federal Register* of August 25, 1981, at 46 FR 42865 and 42968). Should changes become effective at any time before the issuance of leases resulting from this sale, section 18 of the lease form (Form MMS-2005, March 1986) would be deleted from leases resulting from this sale. In addition, existing stocks of the

affirmative action forms contain language that would be superseded by revised regulations at 41 CFR 60-1.5(a)(1) and 60-1.7(a)(1). Submission of Form MMS-2032 (June 1985) and Form MMS-2033 (June 1985) will not invalidate an otherwise acceptable bid, and the requirements of the revised regulations will be deemed to be part of the existing affirmative action forms.

(u) Information on Discharge of Produced Waters. Lessees are advised that the State of Alaska prohibits discharges of produced waters on State tracts within the 10-meter depth contour. Discharges of produced waters into marine waters are subject to conditions of National Pollutant Discharge Elimination System permits issued by the EPA, and may also include a zero-discharge requirement on Federal tracts within the 10-meter contour.

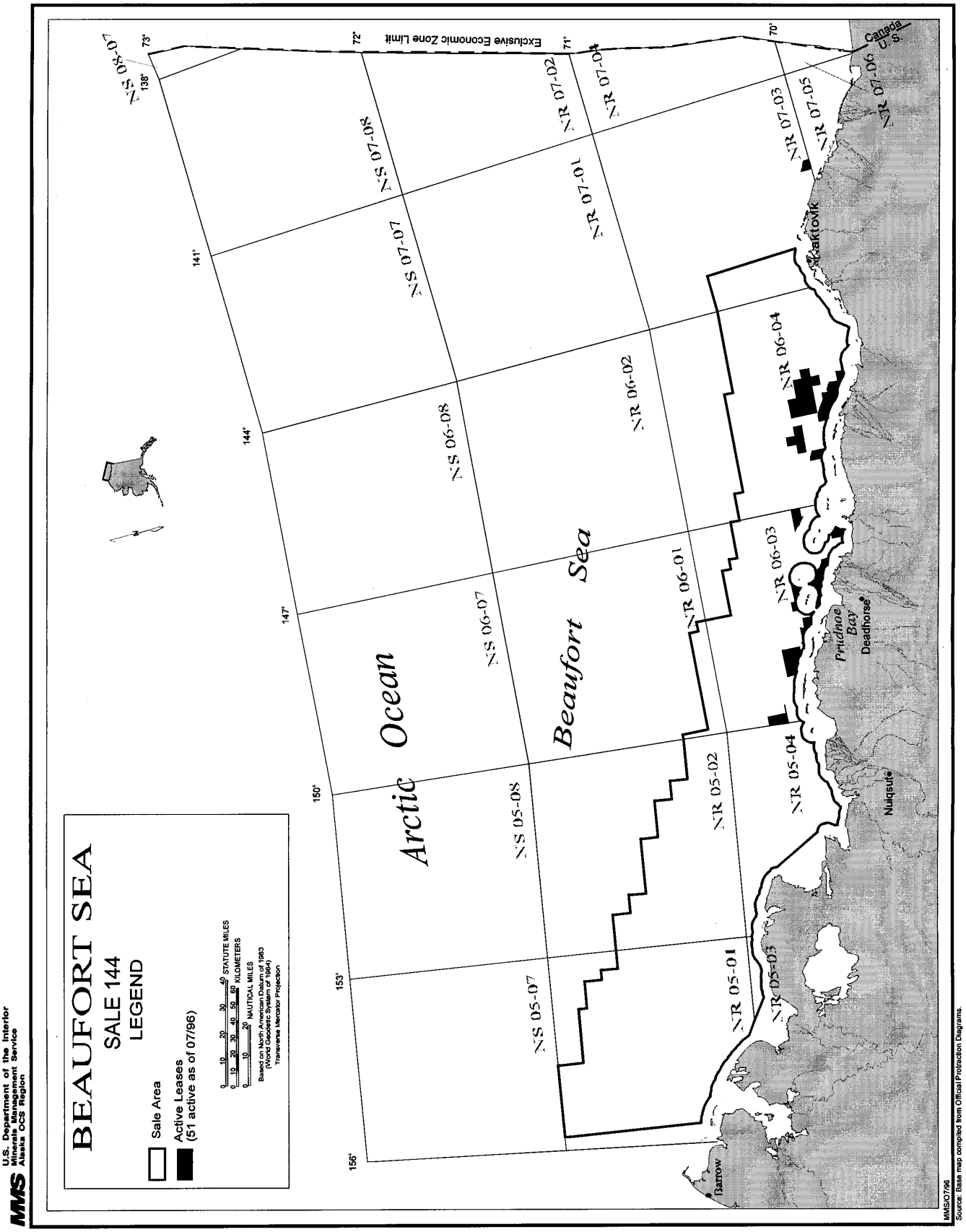
(v) Information on Use of Existing Pads and Islands. During the review and approval process for exploration and development and production plans, MMS will encourage lessees to use existing pads and islands wherever feasible.

Cynthia Quarterman
Director, Minerals Management Service

Approved:

Sylvia V. Baca
Assistant Secretary, Land and Minerals Management

8/1/96
Date



[FR Doc. 96–20863 Filed 8–15–96; 8:45 am]

BILLING CODE 4310–MR–C