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Department of
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STATE OF ALASKA

PRESS RELEASE

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2019 Alaska oil & gas lease sale delivers positive results

(Anchorage, AK) – Oil and gas exploration companies offered \$7.8 million for the rights to search for oil on 154,610 acres of state land on Alaska’s North Slope and Beaufort Sea, according to results from the 2019 oil and gas lease sale conducted today by the Division of Oil & Gas.

The state received 56 bids on 56 North Slope tracts totaling 108,320 acres. With the highest bid of \$276.95 per acre, these lease sales will bring up to \$6.6 million in cash bonus bids. The state also received 13 bids on 13 tracts in the Beaufort Sea area, totaling 46,290 acres. With the highest bid of \$31.13 per acre, these lease sales will bring in up to \$1.2 million in cash bonus bids.

While the results of the auction and bid totals are subject to final adjudication as division staff verify details, the number of bids and the amount bid per acre validate Alaska’s continuing status as an attractive target for oil exploration and production, said Tom Stokes, division director.

Many of today’s bids came from exploration interests that already hold significant lease acreage in Alaska, and appear to represent efforts to consolidate opportunities near existing leases into larger contiguous areas. Stokes said that signals bidders’ confidence in their Alaska investment and exploration strategies.

Currently, 1,750 leases authorize exploration, development, and production in the North Slope, Beaufort Sea, and North Slope Foothills, encompassing 3.5 million acres of state lands, he noted. Today’s lease sale results complement ongoing work in Alaska’s Arctic oil fields.

“Current plans of development indicate up to 10 wells will be drilled this winter to confirm the size and reach of oil fields,” Stokes said. “And we’re getting quite a bit of inquiry about permits for 3-D seismic work that could direct future exploratory work. It’s all very positive for the State of Alaska.”

Governor Mike Dunleavy welcomed today’s sale results, and noted that successful oil leasing and development – in conjunction with prudent use of the resulting revenue – are essential elements in a long-term, balanced state fiscal system.

“The petroleum industry is the foundation of our state economy,” Dunleavy said. “Not only do all Alaskans benefit from the bonuses paid today, but we can also look forward to seeing these leases brought into production and delivering steady royalties for decades into the future.”

The state offered tracts representing drilling and exploration rights covering 7.5 million acres of unleased state land in several different areas, including the North Slope, the Beaufort Sea, and the North Slope Foothills.

No bids were received for the Gwydyr Bay, Harrison Bay and Storms tracts offered as Special Alaska Lease Sale Area (SALSA) blocks, bundled with geological and well data. Stokes said he anticipated offering these tracts again in future lease sales. Division staff opened bids and announced preliminary reports at the Dena’ina Center in downtown Anchorage. Full detailed results of the lease sale, including maps depicting current and new leases, will be available today as soon as they are compiled, at the Division’s website at: <http://dog.dnr.alaska.gov/Services/BIFAndLeaseSale>

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