

Chapter 82 **Mineral Leasing Procedure**

Article 1 **Availability of Land**

11 AAC 82.100. Applicability. The provisions of this chapter apply to the leasing and administration of all land under AS 38.05.135 - 38.05.183, Leasing of Mineral Lands, except as may be specifically provided by the statute or the sections of the regulations dealing with a specific mineral. In the event of a conflict between this chapter and any express and specific provisions of a lease or permit carrying an interest in land issued before the effective date of the conflicting regulations, the provision of a lease or permit shall control, unless otherwise agreed by the lease holder and the commissioner.

11 AAC 82.105. Classification for leasing. All land not required to be leased competitively by law or not classified competitive by order of the commissioner is classified noncompetitive for mineral leasing purposes. A change of classification from noncompetitive to competitive rejects any pending application for noncompetitive lease or permit for the land reclassified.

11 AAC 82.110. Opening noncompetitive land. (a) Noncompetitive land, including shoreland, is not open for lease or permit until the commissioner has published a notice declaring land open for lease or permit. (b) The notice of opening must describe the areas and minerals open. In addition, for any land made available by the opening, the notice must (1) describe the area or areas available; (2) specify the method of land description to be followed in making applications for leases or permits; (3) state the date upon which application may first be received; (4) state that all applications received within 30 days after the stated date are considered to be filed simultaneously and that the first three priorities among those applications is determined by public drawing; (5) state that the lease or permit form and forms for lease or permit applications may be obtained and the applicable regulations examined at a designated office of the Department of Natural Resources and state the address of the office.

11 AAC 82.115. Opening competitive land. Competitive land is not open to leasing until the commissioner publishes a notice of lease offer as prescribed in 11 AAC 82.415.

Article 2 **Qualifications**

11 AAC 82.200. Qualifications. (a) Leases, oil and gas exploration licenses, or permits issued under AS 38.05.131 - 38.05.184 may be applied for, issued to, or held by (1) a person who has reached the age of majority; (2) a corporation qualified to do business in Alaska; (3) a legal guardian or trustee of a qualified individual; (4) an association of entities listed in this subsection. (b) Mineral permits and leases under AS 38.05.185 - 38.05.275 may be applied for, issued to, or held by a person, corporation, legal guardian, or trustee qualified under AS 38.05.190, or by an association of qualified entities.

11 AAC 82.205. Statement of qualifications. (a) An individual, in order to be qualified to apply for, obtain, or transfer an interest in a permit, oil and gas exploration license, or lease issued under AS 38.05.131 - 38.05.184, shall submit to the department (1) a signed, dated statement including the applicant's name, address, telephone number, and a certification that the applicant is of the age of majority; or (2) in case of a guardian, trustee, or other legal representative of a person, a certified copy of the court order authorizing the representative to act in that capacity and to fulfill on behalf of the person all obligations arising under the lease, oil and gas exploration license, or permit, and the representative's certification of the age of the person and the representative; or (3) in the case of an agent acting on behalf of an individual, an original or certified copy of a notarized power of attorney authorizing the agent to act on behalf of the individual. (b) An individual,

in order to be qualified to apply for, obtain, or transfer an interest in a permit, or lease issued under [AS 38.05.185](#) - 38.05.275, shall submit to the department (1) the documents required by (a) of this section; and (2) a signed, dated statement including the applicant's name, address, telephone number, and certification that the applicant is a citizen of the United States, or is an alien qualified under [AS 38.05.190](#). (c) A corporation, in order to be qualified to apply for, obtain, or transfer an interest in a permit, oil and gas exploration license, or lease issued under [AS 38.05.131](#) - 38.05.184, shall submit to the department (1) the current address of the corporation; (2) a list of the individuals authorized to act on its behalf with respect to the mineral specified in the permit, oil and gas exploration license, or lease; (3) an original or certified copy of a notarized power of attorney authorizing any agent who is not a current officer but who has been authorized by the corporation to act on its behalf with respect to the mineral specified in the permit, oil and gas exploration license, or lease; (4) a certificate of compliance for a corporation qualified to do business in Alaska or, if filing for a lease sale, oil and gas exploration license, or permit for the first time, either a (A) certificate of authority for a foreign corporation qualified to do business in Alaska, or (B) certificate of incorporation for a domestic corporation qualified to do business in Alaska. (d) A corporation, in order to be qualified to apply for, obtain, or transfer an interest in a permit or lease issued under [AS 38.05.185](#) - 38.05.275, shall submit to the department (1) the documents required by (c) of this section; and (2) a statement that not more than 50 percent of the stock of the corporation is owned or controlled by persons who are not qualified under [AS 38.05.190](#). (e) A partnership, joint venture, or other unincorporated association, in order to be qualified to apply for, obtain, or transfer an interest in a permit, oil and gas exploration license, or lease issued under [AS 38.05.131](#) - 38.05.275, shall submit to the department (1) a statement describing the business relationship between the members of the association, joint venture, or partnership; and (2) the documents required by (a) - (d) of this section for each participant as appropriate. (f) If it is still current and accurate, material previously filed with the department that satisfies all or part of the requirements of this section may be incorporated into an application by reference to the filing date of the previously filed material and by providing a statement as to any material changes or amendments. A material change or amendment to any of the information required under (a) - (e) of this section must be submitted before any individual or entity may (1) bid in a lease sale; (2) apply or submit a bid for an exploration license; (3) apply for a permit; (4) apply to transfer any interest in a lease, license, or permit; or (5) received any interest in a lease, license, or permit. (g) For leases, oil and gas exploration licenses, or permits issued under [AS 38.05.131](#) - 38.05.145 or [AS 38.05.177](#) - 38.05.181, if not previously submitted to the department under (f) of this section, a material change or amendment to information provided under this section, or a confirmation that no change has occurred, must be annually updated by February 15 of each year.

Article 3 **Acreege Limitations**

11 AAC 82.300. Chargeable acreage. (a) The acreage limitations imposed by [AS 38.05](#) apply to all acreage held or controlled, directly or indirectly, whether (1) by lease or permit interest in it; (2) by ownership or control of stock in a corporation or corporations holding or controlling chargeable acreage; or (3) under option, operating agreement, sublease, trust, contract or written or oral understanding of any kind from others. (b) The acreage limitations do not apply to applications or bids prior to the issuance of a lease or permit. (c) If two or more persons hold or control interests in any lease or permit, each of the persons is charged only with that percentage of the total acreage which corresponds to his percentage of interest in the lease. (d) If a person holds or controls an interest in a lease or permit as a stockholder of a corporation holding or controlling leases or an interest in them, the person is charged his proportionate share of the corporation's chargeable acreage, except that if a stockholder owns or controls less than five percent of the stock of a corporation whose stock is held by the public, he is not regarded as holding or controlling any portion of any chargeable acreage held or controlled by the corporation. If a stockholder is charged with a portion of a corporation's chargeable acreage, the corporation must nevertheless include the acreage in any report required under [11 AAC 82](#) - [11 AAC 84](#). (e) When a lease or permit or any direct or indirect interest in one or control of one is transferred, any resulting change in the chargeability of acreage is effective on the date of filing an application for approval of the transfer, subject to readjustment if the transfer is disapproved.

11 AAC 82.305. Statements. At any time any person holding or controlling chargeable acreage may be required by the commissioner to file with the department a statement showing, as of a specified date, the serial number and the date of each lease or permit in which he holds or controls any interest, setting forth the acreage covered by it, the nature and extent of his interest in it and the acreage chargeable to him by virtue of that interest.

11 AAC 82.310. Reduction of holdings. If a person holds or controls acreage in excess of the prescribed limitations, the commissioner will give notice of the excess acreage to the person. The person shall, within 90 days following receipt of the notice, by assignment or surrender, reduce the acreage held or controlled to the prescribed limitation and file proof of the reduction with the commissioner. If a person fails to reduce the acreage within the allowed time, the last interest or interests acquired by the person that created the excess acreage holding become in default and subject to forfeiture in their entirety, even though only part of the acreage in the lease, oil and gas exploration license, or interest constitutes excess holding.

Article 4 **Competitive Bidding**

11 AAC 82.400. Parcel offered for competitive lease. Competitive land will be offered for lease at the discretion of the commissioner in lease parcel which the commissioner may determine to be as nearly compact in form as possible. The commissioner may defer or remove any parcel or acres in a parcel from an offering (1) before bid opening without notice; the department will return unopened bids received for a parcel that is deferred or removed from an offering under this paragraph, including any bid deposits submitted; or (2) after bid opening and before lease issuance, with notice to the apparent high bidder.

11 AAC 82.405. Method of bidding. Bidding may be by sealed bid or at public outcry auction, including online bidding, unless otherwise prescribed by law or regulation dealing with the subject. If not so prescribed, the method of bidding is at the discretion of the commissioner.

11 AAC 82.410. Minimum bid. The commissioner may prescribe the minimum bid that will be considered at any lease sale. Prescribing a minimum bid does not prevent the rejection of bids as provided in 11 AAC 82.450.

11 AAC 82.415. Public notice. (a) Notice required under AS 38.05.945(a)(3) of a decision under AS 38.05.035(e) will (1) describe the land and interests in that land proposed to be offered for disposal; (2) note the public availability of the division's preliminary analysis for the disposal; (3) contain any other information the director determines to be necessary to inform the public about the disposal; and (4) provide an opportunity for public comment regarding the proposed disposal. (b) Notice required under AS 38.05.945(a)(4) of a competitive disposal will (1) describe the land and the interests in that land to be offered for disposal; (2) state the time and place of disposal; (3) state the availability of the director's final finding and decision regarding the disposal; (4) specify the terms and the conditions of the sale relating to rents, royalties, leasing methods, bond requirements, and surface entry; and (5) contain any other information the director determines necessary to inform the public about the disposal. (c) After a notice of disposal under (b) of this section has been issued, the director will, in the director's discretion, issue supplemental notices correcting information provided in the notice, or providing additional information regarding the disposal. A supplemental notice which substantially alters a term or condition of a notice regarding rentals, royalties, leasing methods, bonding requirements, surface entry restrictions, or acreage available for disposal will comply with AS 38.05.945(b) and (c). Other supplemental notices will be issued at the time and in a manner which the director deems appropriate to the particular supplemental notice. For purposes of this subsection, a supplemental notice substantially alters a term or condition of a notice if it: (1) changes a rental or royalty rate; (2) changes the leasing method selected pursuant to AS 38.05.180; (3) as a technical correction, causes the published acreage of an individual tract which is not deleted from the sale to increase by more than 3 percent from the acreage listed for the tract in the final notice; or (4) is otherwise determined by the director to substantially alter a

term or condition of a final notice. (d) A supplemental notice which alters the acreage of a tract will be issued no later than 10 days before the date of sale. Otherwise, the affected tract will be deleted from the sale.

11 AAC 82.420. Bid form. Bids must be signed and submitted on a bid form supplied or approved by the department for the particular lease offer or on a verbatim copy of one. No bid containing or accompanied by any condition, qualification, or material alteration may be considered.

11 AAC 82.423. Bid service charges. A bidder shall be responsible for commission or like compensation payable to any third-party vendor hosting an online offering for submitted bids; including handling and transfer of bid deposits.

11 AAC 82.425. Bid deposit. Any bid deposit required by statute, regulation, or instruction provided by the department must be in United States dollars and in one of the following forms of payment or combination of forms of payment (1) cash; (2) cashier's or certified check drawn on any solvent bank in the United States and made payable to the Department of Natural Resources; (3) money order made payable to the Department of Natural Resources; or (4) electronic funds transfer, wire transfer, or automated clearing house transaction for the use and benefit of the state, including if a third-party vendor approved by the department hosts an online disposal.

11 AAC 82.428. Qualification of bidders. Before the date of a competitive lease sale, a bidder must comply with [11 AAC 82.200](#) and [11 AAC 82.205](#).

11 AAC 82.430. Joint bids. (a) A bid with two or more bidders must (1) be submitted on a bid form supplied by or approved under [11 AAC 82.420](#); (2) state the percent interest of each bidder; (3) designate one bidder who is authorized to receive notices on behalf of all the bidders; and (b) Each bidder on a bid with two or more bidders must be qualified in accordance with [11 AAC 82.200](#) - 205.

11 AAC 82.435. Bids at auction. Each bidder at a sale by sealed bid or public outcry auction, including online bidding, shall submit to the commissioner, other officer, or other entity authorized by the commissioner conducting the sale, the deposit and information required by [11 AAC 82.415](#) - [11 AAC 82.430](#) in accordance with instructions provided by the department.

11 AAC 82.440. Opening bids, holding auctions. Sealed bids, including bids received online, must be opened publicly, and public auctions must be held at the time and place specified in the public notice issued in accordance with [11 AAC 82.415](#). No bid which the commissioner determines to be nonresponsive to the sale notice may be given further consideration at the public sale proceeding.

11 AAC 82.445. Incomplete bids. No bid may be considered unless supported by the deposit and information required by [11 AAC 82.425](#), [11 AAC 82.428](#), and [11 AAC 82.430](#) unless the commissioner determines that any omission was immaterial or due to excusable inadvertence and if the omission is corrected in the manner provided by notice of sale.

11 AAC 82.450. Rejection of bids. The commissioner may reject any or all bids on any tract or tracts before a lease is awarded.

11 AAC 82.455. Tie bids. If two or more sealed bids are equal in amount and are the highest received at a lease sale, or for an oil and gas exploration license, the commissioner will promptly notify the highest bidders and invite them to submit new bids, not lower than the original bids, within 30 days after the notice. If the new bids fail to break the tie, the commissioner will, in the commissioner's discretion, issue new invitations in like manner until the tie is broken, or will at any time notify the bidders that a drawing will be held at a time and place stated in the notice and award the lease or oil and gas exploration license by lot.

11 AAC 82.460. Additional information. Before the right to a lease is awarded, any bidder may, on his own initiative or at the request of the commissioner, submit additional information regarding his financial responsibility and his qualifications.

11 AAC 82.465. Bonus; rental; bond. (a) When the right to a lease is awarded, the department will notify the successful bidder or designee under [11 AAC 82.430](#). The successful bidder shall wire transfer federal funds in the amount of the balance of the cash bonus, first year's annual rental, submit two copies of the lease form fully executed by the high bidder, and, if required, file a bond or pay accrued interest within the period specified in the award notice. If an apparent high bidder fails to comply with the provisions of this section, the bidder shall forfeit rights to the awarded lease and (1) forfeit the bid deposit; or (2) if leased under [AS 38.05.180](#), forfeit 20 percent of the bonus bid; the department will issue any refund, if applicable, in compliance with [11 AAC 82.475](#). (b) The department will apply payments in the following order to the (1) accrued interest, if required; (2) balance of the cash bonus; and (3) first year's annual rental.

11 AAC 82.466. Rental reduction determination. For oil and gas, or gas only leases, with rental increases during the primary term, an application for a rental reduction determination under the terms of a lease agreement must be received at least 90 days before the lease anniversary date where the rental rate increases above \$20 per acre. A rental reduction determination application must be made on the form required by the department.

11 AAC 82.470. Issuance of lease. Upon compliance with sec. 465 of this chapter, the commissioner will sign the lease on behalf of Alaska and mail one fully executed copy to the lessee.

11 AAC 82.475. Return of deposits. The commissioner will return the bid deposit of all unsuccessful bidders within five working days after a lease sale or the awarding of an oil and gas exploration license. If the high bid is disqualified after bid deposits have been returned, the commissioner will, in the commissioner's discretion, award the second and third highest bidders the opportunity to restore their bids and deposits within 10 days after receipt of the notice of the award.

Article 5 **Noncompetitive Procedures**

11 AAC 82.500. Applications. (a) Except as otherwise provided in regulations regarding applications for shallow natural gas leases authorized under [AS 38.05.177](#), applications for noncompetitive leases or permits for a mineral may be filed on any noncompetitive land opened for leasing of that mineral in accordance with [11 AAC 82.100](#) - [11 AAC 82.115](#). (b) Applications filed during a simultaneous filing period must be filed by mail or by personal delivery. Applications for land available on a first-come, first-served basis may also be filed by telegram, radiogram, or cablegram if (1) the name and address of the applicant and the area applied for are clearly identified; and (2) the application is confirmed within 15 days after the initial filing by a signed application meeting all the requirements of [11 AAC 82](#) - [11 AAC 84](#) and [11 AAC 88](#). (c) Applications must be filed on forms provided by the department or exact image copies of them. (d) Applications must be signed by or on behalf of each person who will receive any interest in any lease or permit if issued, by virtue of any agreement or understanding, oral or written.

11 AAC 82.505. Description of land. (a) Applications for land available in a simultaneous filing period must describe the land as specified in the notice providing for the simultaneous filing period. (b) Application for land available on a first-come, first-served basis must describe the land by legal subdivision, section, township, range, and meridian if the land has been surveyed under the public land rectangular system or is included in protracted surveys approved by the department or by the Bureau of Land Management.

11 AAC 82.510. Area. The land requested in an application must be compact in form. Unless specified otherwise in the section dealing with the subject of the application, the land in an application will not be

considered compact in form unless (1) full sections are requested (the lease or permit being issued only for the available land); (2) all sections applied for are contiguous and not merely "adjacent," as defined in [11 AAC 88.185](#) (sections touching only at a point are not considered contiguous); and (3) the length of the land requested does not exceed four times the width.

11 AAC 82.515. Terminated permits and leases. Noncompetitive land on which a permit or lease or a part of one is expired, relinquished, or otherwise terminated may be offered at a noncompetitive drawing. The commissioner will post a notice listing the land to be offered at a noncompetitive drawing in the place provided for such postings. The notice will provide for a 30-day simultaneous filing period to file applications for the land listed in the notice. The notice might also state that adjacent noncompetitive land has been removed from filing on a first-come, first-served basis and is included with the terminated tracts for the purpose of making more compact tracts. Only applications filed during the simultaneous filing period may be included in the noncompetitive drawing.

11 AAC 82.520. Applications in simultaneous filing periods. (a) No applicant may file, or cause to be filed, applications which will give him more than one chance on any tract in a simultaneous filing period, whether by written or oral agreement or contract. (b) The filing fee may be paid by cash, certified check, cashier's check, money order, or personal check. A filing fee paid by personal check which is returned by the bank because of insufficient funds gives an applicant no priority and any lease or permit issued is void from its inception. (c) An application may be withdrawn at any time before the drawing; however, if there are conflicting applications, the withdrawal does not correct the conflict unless the commissioner is satisfied that the conflict was unintentional or due to excusable inadvertence. (d) Any application that fails to comply with the requirements of the notice must be rejected and gives the applicant no priority.

11 AAC 82.525. Drawings. (a) Whenever proper applications filed simultaneously or during any simultaneous filing period cover the same land, the commissioner will cause a public drawing or drawings to be held to determine the priorities among those applications, but the drawing is limited to three priorities when more than three applications are included in the same drawing. All remaining applications are rejected and closed of record following the drawing without further notice to the applicant. Each drawing will be conducted in the manner the commissioner determines. (b) The order or other notice by the commissioner providing for simultaneous filing periods will give the date, time, and place of drawing to determine priorities.

11 AAC 82.530. Material to accompany applications. Noncompetitive applications must be accompanied by, or refer to, a previously filed statement of qualifications required by sec. 205 of this chapter.

11 AAC 82.535. Default. If the applicant first drawn for any tract fails to timely comply with the requirements of the law, regulation or the filing notice, the remaining priorities in the order drawn, successively will be given notice and opportunity to secure the lease.

11 AAC 82.540. Filing after simultaneous filing period. If no applications are filed or if no lease or permit is issued as a result of a simultaneous filing period, the land becomes available on a first-come, first-served basis, but only after notation of its availability on the official records of the department.

Article 6

Miscellaneous Leasing Procedure

11 AAC 82.600. Bonding. (a) Every mineral lease and permit may contain a provision requiring that an acceptable bond in the minimum amount required by the section of this title dealing with the specific mineral involved be filed before beginning any permit or lease operation. (b) The amount of the bond is the amount determined by the commissioner to be justified by the nature of the surface, its uses and improvements in the vicinity of the lands, and the degree of the risks involved in the types of operations to be carried on under the lease or permit. (c) Every bond must be either (1) a corporate surety bond with a corporate surety qualified

to do business as such in Alaska; or (2) a personal bond accompanied by a deposit of cash in the amount of the bond, or negotiable federal or Alaska securities in a sum equal at par value to the amount of the bond together with a sufficient conveyance to the commissioner of full authority to sell the securities in the event of default in the performance of the conditions of the bond. (d) Every bond must be conditioned upon faithful compliance with all the provisions of the lease or permit. (e) The principal on any bond must be the lessee of record unless the lease is subject to an operating agreement which has been approved by the commissioner, in which case the operator may be the principal in place of the lessee of record. (f) Bonds must be furnished on forms provided by the department.

11 AAC 82.605. Assignments. (a) Leases, oil and gas exploration licenses, permits, or interests in leases, oil and gas exploration licenses, or permits, may, with the approval of the commissioner, be assigned or subleased as provided in this section to a person or persons qualified to hold a lease. (b) No transfer of an interest in a lease, oil and gas exploration license, or permit, including assignments of working or royalty interest, operating agreements, and subleases, is binding upon the state unless approved by the commissioner. The transferor is liable for all obligations under the lease or oil and gas exploration license accruing before the approval of the transfer. When transfers of overriding royalty are made after the initial separation from the working interest of the lease, executed or image copies of these transfers must be transmitted to the department without charge for filing in the appropriate case file. However, the commissioner will take no action and official status records will not be posted to reflect these transfers. (c) The commissioner will approve a transfer of an undivided interest in a lease, oil and gas exploration license, or permit unless the commissioner makes a written finding that the transfer would adversely affect the interests of the state or the application does not comply with applicable regulations. The commissioner will state the reasons for denial of an application in the finding. (d) The commissioner will disapprove a transfer of a divided interest in a lease, oil and gas exploration license, or permit if the transfer covers only a portion of the lease, oil and gas exploration license, or permit or a separate and distinct zone or geological horizon, unless the transfer would not adversely affect the interests of the state, the transfer complies with applicable regulations, and the (1) applicant demonstrates to the commissioner's satisfaction that the proposed transfer of a divided interest is reasonably necessary to accomplish exploration of the area subject to an oil and gas exploration license and exploration or development of the lease or permit; (2) lease is committed to a unit agreement approved by the commissioner; (3) lease is allocated production within a participating area approved by the commissioner; or (4) lease or area subject to an oil and gas exploration license has an oil, gas, or geothermal well certified as capable of production in paying quantities. (e) The commissioner will make a written finding stating the reasons for disapproval of a transfer of a divided interest under (d) of this section. (f) When a corporate merger or consolidation occurs, transferring all of the interests of one corporation to another, the surviving or new corporation shall submit to the department (1) a signed, notarized statement by an officer of the surviving or new corporation describing the transfer of interests; (2) a certificate of merger or certificate of consolidation issued by the State of Alaska, Department of Commerce; (3) applications for approval of assignments transferring all interests to the surviving or new corporation, in compliance with [11 AAC 82.615](#); (4) if not filed on a form provided by the department, the request for approval must contain the same information for each interest transferred as is required on the assignment application form; (5) a filing fee is required for each affected lease or oil and gas exploration license; and (6) the surviving or new corporation must comply with the statement of qualifications required by [11 AAC 82.205](#).

11 AAC 82.610. Permits or leases segregated by partial assignment. If a transfer is made of all or a part of the lessee's or permittee's working interest in a portion of the acreage in a lease or permit, the acreage as to which the transfer is made will, at the option of the commissioner, and may, upon the request of the transferee and with the approval of the commissioner, be segregated into a separate and distinct lease having the same effective date as the original lease or permit.

11 AAC 82.615. Application for approval of assignment. (a) An application for approval of assignment or transfer must (1) be filed in triplicate if necessary and comply with [11 AAC 88.105](#); (2) be filed within 90 days after the date of final signing of the transfer by the assignor; however, an assignment not filed within 90 days may be approved, at the discretion of the commissioner, where no intervening interest is filed; (3) unless

filed on forms provided by the department, be accompanied by a request for approval of assignment essentially like that used in the appropriate department form; and (4) be accompanied by a bond, if required by the commissioner, which clearly binds the assignee and the assignee's surety to any unperformed obligations of the assignor. (b) If the transfer is solely an assignment by the lessee or licensee of a state-issued oil and gas exploration license of record of all or a divided or undivided portion of the record title to a lease or oil and gas exploration license, forms provided by the department or facsimile must be used. (c) Each application for approval of assignment must provide for the transfer of interest from a single assignor to a single assignee. The department form may not be altered to provide for any type of multiple party assignments. (d) If a single instrument affects two or more leases, oil and gas exploration licenses, or permits, the applicant shall file three signed counterparts of the instrument and sufficient exact image copies of it to provide one copy of each lease, oil and gas exploration license, or permit covered by the application. A separate filing fee is required for each lease, oil and gas exploration license, or permit affected. (e) The assignee shall also file or refer to the current statement of qualifications required by [11 AAC 82.205](#). (f) Ownership interests must be expressed in percentages with any fraction of a percent expressed in decimals with five or fewer digits to the right of the decimal point. All ownership percentages in the lease, when added, must total 100 percent. (g) Filing fees will be assessed in accordance with [11 AAC 05.110](#) for each application for approval of assignments.

11 AAC 82.620. Transfer by death. If the applicant claims to be the heir or devisee of a deceased holder of a lease or permit or interest in it, he must furnish evidence satisfactory to the commissioner of his status and identity as an heir or devisee.

11 AAC 82.625. Effective date of assignments. If the commissioner approves or disapproves an application for transfer, the commissioner will mail notice of the action to the applicant and the lessee, licensee of a state-issued oil and gas exploration license, or permittee. If the commissioner approves the transfer, the effective date of the transfer is the first day of the month following the date on which the assignment application is filed with the state. Upon prior written request, the effective date of the transfer is the first day of the month in which the assignment application is filed with the state. If an assignment application is approved prior to issuance of the lease, oil and gas exploration license, or permit, the effective date of the transfer is the effective date of the lease, license, or permit.

11 AAC 82.630. Responsibility. (a) The assignor of a permit, oil and gas exploration license, or lease and the assignor's surety continue to be responsible for the performance of any obligation under the permit, oil and gas exploration license, or lease until the effective date of the assignment. If the transfer is not approved, their obligation continues as though no transfer had been filed for approval. (b) After the effective date of the transfer, the assignee and the assignee's surety are responsible for the performance of all permit, oil and gas exploration license, or lease obligations notwithstanding any terms in the transfer to the contrary.

11 AAC 82.635. Surrenders. (a) All of the rights in land held under a lease, oil and gas exploration license, or prospecting permit may be surrendered by the lessee, licensee, or permittee of record by filing a written surrender at the appropriate office of the department. A surrender of a legal subdivision of the land held under a lease, oil and gas exploration license, or prospecting permit, or of a separate and distinct zone or geological horizon in all or a portion of the land, is not effective unless approved by the commissioner. (b) A surrender takes effect on the date it is filed, or on the date of approval if approval is required, subject in either case to the continued obligation of the lessee, licensee, or permittee and the surety to make payment of all accrued royalties and rentals and to place the surrendered land in condition satisfactory to the commissioner for abandonment. (c) A surrender must be filed in accordance with [11 AAC 88.105](#), but a filing fee is not required.

11 AAC 82.640. Survey requirement. (a) A survey or monumentation of lease boundaries may be required by the commissioner when he determines that survey or monumentation is necessary to determine compliance with the lease or to determine the extent of possible damage to adjacent lands from lease operations. However, the lessee is not required to pay the costs of a survey in excess of that required to establish that its operations are in compliance with the terms of the lease. (b) Within one year after notice of the survey or

monumentation requirement, the lease holder shall provide the commissioner with a plat of survey or other evidence showing that the survey or monumentation has been completed in accordance with the notice.

11 AAC 82.645. Conforming protracted description to official surveys. (a) If a lease is issued describing land according to a protracted survey and if thereafter the leased land is surveyed under the public land rectangular system, the boundaries of the lease land are those established by the latter survey when it is approved by the commissioner. Before conforming the lease boundaries, the department will notify each lessee of land affected by the survey and permit those lessees to examine the plat of survey and the field notes. If such a lessee believes that the survey is erroneous and would because of an error move any boundary of a lease held by him more than 10 feet, or in the case of an oil and gas lease on which there is no well capable of producing in paying quantities, one-quarter of a mile, then he may, within 30 days after that notice, file with the department written objections to the survey specifying in detail the error alleged, the boundary affected and the effect on it, and stating whether a hearing is demanded. (b) If a hearing is demanded under (a) of this section, the commissioner will establish a time and place for the hearing and mail reasonable notice of it to all lessees of record affected by the survey. (c) The commissioner will consider all written objections and all evidence presented at the hearing, and if he finds that any lease boundary, as established by the lessee, would be affected in excess of the limits specified in (a) of this section, and he finds reasonable cause to believe that the effect may be the result of an error in the survey, whether or not within the allowable limits of error according to the generally accepted standards of surveying, and any lessee or lessees agree to bear the cost of a resurvey as provided for in (d) of this section, the survey is not approved and the commissioner will order a resurvey. (d) A resurvey ordered under (c) of this section must be made by an independent professional land surveyor licensed in Alaska and appointed by the commissioner, who will consult with any interested lessees before making the appointment. The commissioner will fully apprise the surveyor of any alleged errors and furnish him copies of all written objections and other evidence submitted concerning the original survey. (e) Upon receipt of the resurvey, the commissioner will notify all affected lessees of it and permit the lessees to examine the plat of resurvey and the field notes. A lessee may within 30 days after receipt of the notice file written objections in the manner provided in (a) of this section. If objections are received, the commissioner may, at his discretion, order a further hearing or a further resurvey in the manner provided in (d) of this section.

11 AAC 82.650. Control. (a) The physical location of the boundaries of any legal subdivision subject to a lease describing land according to a protracted survey, is, for the purposes of [11 AAC 82.645](#), controlled by the latitudes and longitudes indicated on the protracted survey, if no portion of the protracted survey has been surveyed by the department or by the Bureau of Land Management, Department of the Interior, under the public land rectangular system. If a portion has been surveyed by the department or the Bureau of Land Management, that survey applies. When locating the unsurveyed remainder of a section of land, a projection of the section lines from the surveyed portion as monumented under the public rectangular system to the first protracted section corner position determines the remainder of the surveyed section. If the first protracted section corner position can be closed into by the public land rectangular survey system within the accuracies and standards established by the Bureau of Land Management Manual of Surveying Instructions (2009) that is adopted by reference and in accordance with the department's survey requirements, the protracted corner becomes a common corner for description purposes. Otherwise the surveyed section of land is closed into the protracted section line position as defined by protracted data. (b) The boundaries of leases issued before July 22, 1979 will be controlled by this section upon approval of the department with the consent of the lessees of record.

11 AAC 82.655. Rule of approximation. The "rule of approximation" as defined in [AS 38.05.965](#) shall be used in determining if a lease or permit complies with the area requirements of [AS 38.05](#).

11 AAC 82.660. Excess area; partial termination. If for any reason a permit or lease covers more acreage than the maximum permitted by [AS 38.05](#) or the regulations to be included in one lease or permit of its kind, the lease or permit is not void, but the acreage covered must be reduced to the permitted maximum. Whenever the commissioner determines that a lease exceeds the permitted acreage, he will promptly mail

notice to the lessee or permittee, stating the amount of acreage that must be eliminated. Within 60 days after the receipt of the notice, the lessee or permittee of record may file an instrument surrendering or assigning in full at least the amount of acreage that must be eliminated which must be one or more legal subdivisions or in such other shape or shapes as the commissioner approves. The surrender or assignment is effective when filed. If the surrender or assignment is not filed within 60 days, the commissioner will eliminate the minimum necessary and promptly mail notice to the lessee or permittee, specifying the parcels eliminated.

11 AAC 82.665. Rental and royalty relief. (a) Application for relief under [AS 38.05.140](#) must comply with [11 AAC 88.105](#) and (1) state all the facts entitling the applicant to relief; (2) state location and status of all past and present activities on the lease; (3) include a detailed report of all production during the six months preceding the filing of the application; (4) contain a detailed statement covering the entire life of the lease showing all expenses and costs of operating the lease including all royalties and overriding royalties and all income from all produced minerals from the lease; and (5) include an agreement by the applicant to defray the cost of publishing a notice as provided in (b) of this section. (b) Upon receipt of an application complying with (a) of this section, the commissioner will cause to be published a notice of public hearing if required on the application. The notice must (1) state the time and place of hearing; (2) describe the lands involved; and (3) state the name of the applicant and the nature of the relief applied for. (c) The notice must be published at least once a week for at least two consecutive weeks in advance of the hearing date, which must be at least 15 days after the last date of publication, in at least one newspaper of general circulation in the vicinity of the principal office of the department, and must be posted at that office for the same period. (d) At the time and place specified in the published notice, the commissioner will hear evidence offered by the applicant and any other interested party. (e) The commissioner must give notice of the findings and determination to the lessee and to any other person who has filed a written request for it. The action taken is effective on the date specified in the notice.

11 AAC 82.670. Suspension of production or operations. (a) Applications for suspension of production or operations under [AS 38.05.140](#) must comply with [11 AAC 88.105](#) and must contain complete information showing the necessity or justification for the suspension. (b) Whenever the commissioner takes an action under [AS 38.05.140](#), he will give notice to the lessee, specifying the action taken, the effective date of it, and the duration of any suspension, and note the action in the status record. (c) No lease expires because operations or production or both are suspended under any order or with the assent of the commissioner.

11 AAC 82.675. Effective date of leases, oil and gas exploration licenses, and permits. The effective date of a lease, oil and gas exploration license, or permit is the first day of the month following the date on which the lease, oil and gas exploration license, or permit was signed on behalf of the state or, upon prior written request, on the first day of the month in which it was signed on behalf of the state.

Article 7 **Royalty Products**

11 AAC 82.700. Taking royalty in-kind for royalty products other than oil, gas, or associated substances. Royalty products other than oil, gas, or associated substances taken in-kind as provided by [AS 38.05.182](#) must be taken under the provision of the lease which reserves the royalty to the state. If no such provision is in the lease or in the regulations dealing with the products to be taken, all or any portion of the state's share will, at the option of the commissioner, be taken in-kind in accordance with the following: (1) 90 days written notice will be given to each lessee of the state's election to take the royalty products in-kind; however, if the portion of the state's share to be taken in-kind exceeds 50 percent of the state's share, 180 days notice will be given; (2) after taking has actually commenced, the amount to be taken in-kind will, in the commissioner's discretion, be increased or decreased from time to time by (A) not more than 10 percent, upon 30 days written notice to each lessee of record; (B) from 10 percent to 50 percent, upon 90 days written notice; and (C) more than 50 percent, upon 180 days written notice; and (3) the products must be delivered to the state or its designated purchaser free of charge at the point specified in the lease for determination of

the value of the royalty product as if the product to be taken were to be paid in money rather than taken in-kind; the condition of the product must be the same as the non-royalty share at the point of taking; the lessee shall, if necessary, furnish safe storage for the royalty share free of charge for the same duration and in the same manner as storage is provided for the non-royalty share.

11 AAC 82.705. Bidding method for royalty products other than oil, gas, or associated substances.

Royalty products, other than oil, gas, or associated substances, that the commissioner determines are to be sold by competitive bid will be offered for sale by sealed bid or at public auction.

11 AAC 82.710. Notice of sale for royalty products other than oil, gas, or associated substances.

If the commissioner determines that royalty products other than oil, gas, or associated substances will be offered for competitive sale, notice of the sale will be given as provided by [AS 38.05.945](#). The notice must specify all the terms and conditions of the sale including the royalty products to be sold, bidding method, bond requirements, sale place and time, minimum bid, if prescribed, and any other term or condition that the commissioner determines necessary to carry out the purposes of [AS 38.05.183](#).

11 AAC 82.715. Qualifications for royalty products other than oil, gas, or associated substances.

A purchaser of the state royalty products other than oil, gas, or associated substances must comply with the qualification requirements of [11 AAC 82.200](#) and must supply the showing of qualification required of mineral permittees and lessees by [11 AAC 82.205](#).

Article 8 **Records and Reports**

11 AAC 82.800. Production records. (a) Mineral lessees of state land shall keep in their possession accurate books and records showing the production and disposition of all minerals produced from the leased land and shall permit the commissioner or his agents at all reasonable hours to examine them. (b) The commissioner will, in his discretion, require copies of sales contracts and other agreements with the first bona fide purchaser affecting produced minerals which are subject to royalties.

11 AAC 82.805. Test results. The lessee of a state-issued mineral lease and the licensee of a state-issued oil and gas exploration license shall furnish, upon request of the commissioner, a copy of all geological, geophysical, engineering, and other factual data obtained from the lease or oil and gas exploration license, including all pertinent tests, records, surveys, and analyses conducted on or pertaining to the leased or licensed land or products from it, but not including interpretations of these items or proprietary research data or techniques.

11 AAC 82.810. Confidentiality of data. (a) Geological, geophysical, and engineering data, including well and bore hole data, and interpretations of those data, will be kept confidential at the written request of the person supplying the information. Cost data and financial information submitted in support of applications, bonds, leases, and similar items will be kept confidential at the written request of the person supplying the information except as provided in [AS 38.05.036](#). (b) Information for which confidentiality is requested must be identified as "confidential" on the outer envelope and on each page, and must be submitted separately from information not entitled to confidential status.

11 AAC 82.815. Cross-referencing. A party who is required to submit information to the commissioner under this title may cross-reference information which it or other parties, including agencies of state or federal government, have previously filed with the commissioner. A party making a cross-reference shall precisely identify the referenced information, the approximate date, and the office with which it was filed. If the information cannot be located in the departmental files, or if inaccessibility of the information would delay processing of the application, the commissioner will, in his discretion, require that the information be submitted.

Article 9 **Exploration Licensing**

11 AAC 82.903. Description of land. The commissioner will, in the commissioner's discretion, make state land that is not under lease or otherwise excluded from oil and gas leasing or exploration licensing by state law available for oil and gas exploration licensing. Land proposed for licensing must be described by legal subdivision, section, township, range, and meridian if the land has been surveyed under the public land rectangular system or is included in protracted surveys approved by the department or by the United States Bureau of Land Management.

11 AAC 82.906. Term. The term for an oil and gas exploration license will be determined by the commissioner in accordance with [AS 38.05.132](#).

11 AAC 82.909. License proposal. (a) At any time during a calendar year, the commissioner will, in the commissioner's discretion, issue a call for proposals for an oil and gas exploration license that specifies the (1) area to be offered for licensing; (2) minimum qualifications for a licensee, as specified under [11 AAC 82.200\(a\)](#); and (3) minimum exploration work commitment expressed in dollars. (b) A prospective licensee must notify the commissioner in writing of the prospective licensee's intent to submit a proposal for an oil and gas exploration license within 30 days after the commissioner has issued a call for proposals under (a) of this section. (c) A proposal for an oil and gas exploration license submitted by a prospective licensee must be received by the department within 60 days after the commissioner has issued a call for proposals under (a) of this section. (d) A proposal for an oil and gas exploration license that is initiated by a prospective licensee, and that is not in response to a call for proposals by the commissioner, must be received by the department during the period beginning April 1 and ending April 30 of a calendar year. (e) A proposal in response to a call for proposals under (a) of this section or a self-initiated proposal under (d) of this section must (1) describe the lands proposed to be subject to licensing, and provide this information on a map at a scale of 1:250,000 or greater; (2) state the specific work commitment expressed in dollars; (3) propose the term of the license; (4) describe the amount and form of security to be posted, based on the projected cost of the planned exploration work; (5) state that the prospective licensee meets the minimum qualifications, as specified under [11 AAC 82.200](#); (6) designate one person who is authorized to receive notices on behalf of an applicant; and (7) be submitted on a form provided by the department or a verbatim copy of the department's form. (f) The commissioner will, in the commissioner's discretion, modify any proposal and request that a prospective licensee submit a revised proposal based on the commissioner's modifications. A prospective licensee shall have 30 days to resubmit a revised proposal which must conform to (e) of this section. The commissioner will reject any proposal that the commissioner determines is not in the state's best interest.

11 AAC 82.912. Request for competing proposals. (a) If a proposal for an exploration license submitted under [11 AAC 82.909](#) (a) or (d) is not rejected by the commissioner, the commissioner will issue a request for competing proposals concurrent with a public notice of intent by the commissioner to evaluate the acceptability of the proposal. (b) A prospective licensee must notify the commissioner in writing of the prospective licensee's intent to submit a proposal for an oil and gas exploration license within 30 days after the commissioner has issued a request for competing proposals under (a) of this section. (c) A competing proposal for an oil and gas exploration license submitted by a prospective licensee must conform to [11 AAC 82.909\(e\)](#) and must be received by the department within 60 days after the commissioner has issued a request for competing proposals under (a) of this section.

11 AAC 82.915. Qualifications. A prospective licensee for an oil and gas exploration license must comply with [11 AAC 82.200\(a\)](#) and [11 AAC 82.205](#) before submitting a proposal under [11 AAC 82.909](#) or [11 AAC 82.912](#).

11 AAC 82.918. Public notice. A public notice is subject to the provisions of [AS 38.05.945\(b\)](#) if the notice (1) solicits proposals for an oil and gas exploration license; (2) announces the intent by the commissioner to

evaluate the acceptability of a proposal for an oil and gas exploration license and requests competing proposals; or (3) seeks comments on a best interest finding for an oil and gas exploration license.

11 AAC 82.921. Invitation to bid. (a) If competing proposals are submitted, and the written finding of the commissioner concludes that an oil and gas exploration license should be issued, the commissioner will issue to each applicant that submitted a proposal under [11 AAC 82.909](#) or [11 AAC 82.912](#) an invitation to submit a sealed bid on a form supplied by the department. (b) The invitation to bid will (1) be issued concurrent with the written finding; (2) describe the area to be offered for licensing; (3) designate the date a sealed bid must be received by the commissioner; (4) include the finding under [AS 38.05.133\(f\)](#), the exploration license and lease forms that will be used, and a bid form; and (5) disclose additional information and set out additional requirements as the commissioner determines to be necessary. (c) Submission of a sealed bid to the commissioner on a form supplied by the department or a verbatim copy of the department's form constitutes notice of a prospective licensee's intent to participate in the bidding as required by [AS 38.05.133\(h\)](#).

11 AAC 82.924. Bid deposit. An oil and gas exploration license sealed bid received in response to a request for a competitive bid must be accompanied by a bid deposit of 20 percent of the license fee, rounded to the nearest dollar. The bid deposit is subject to the provisions of [11 AAC 82.425](#).

11 AAC 82.927. Submitted bid. A sealed bid submitted for an oil and gas exploration license is subject to the provisions of [11 AAC 82.420](#).

11 AAC 82.930. Joint bid. A joint sealed bid for an oil and gas exploration license is subject to the provisions of [11 AAC 82.430](#).

11 AAC 82.933. Tie bids. In the event of tie bids for an oil and gas exploration license, the provisions of [11 AAC 82.455](#) apply.

11 AAC 82.936. Notification of competitive award. (a) The commissioner will, within 15 days following the date that a sealed bid must be received, notify each prospective licensee of the commissioner's decision to accept or reject that prospective licensee's sealed bid. (b) A successful bidder shall, within 30 days after receiving notification of the award, wire transfer the balance of the exploration license fee, submit two fully executed copies of the exploration license form, and file the security required by [AS 38.05.132\(c\)\(4\)](#). All documentation must be physically received by the department by the close of business on that 30th day. (c) If a successful bidder fails to comply with (b) of this section, the bid deposit and the license award are forfeited. The commissioner will, in the commissioner's discretion, award the exploration license to the next successive highest bidder. (d) The commissioner will, in the commissioner's discretion, hold a bid deposit until a license is awarded, or until the commissioner decides not to award the license.

11 AAC 82.939. Return of bid deposits. The department will return unsuccessful bid deposits for an oil and gas exploration license within 10 days following the award and acceptance of an oil and gas exploration license.

11 AAC 82.942. Effective date of license. The effective date of an oil and gas exploration license is established according to the provisions of [11 AAC 82.675](#).

11 AAC 82.945. Bonding or other security. (a) An exploration license shall be bonded under the provisions of [11 AAC 82.600\(c\)](#) and (f). (b) The principal on a bond must be the licensee of record with the department. (c) A licensee shall, upon acceptance, and on or before each anniversary of the effective date of an oil and gas exploration license, deliver to the department an affidavit showing that the required security is in place with the department and executed in favor of the state. Each affidavit shall include calculations conforming the security to the requirements of [AS 38.05.132\(c\)\(4\)\(B\)](#). The commissioner will, in the commissioner's discretion, revoke an oil and gas exploration license for failure to provide the commissioner with this affidavit. Upon revocation, a licensee's security is forfeited to the state.

11 AAC 82.948. Reservations. An oil and gas exploration license must comply with the provisions of 11 AAC 83.150(a).

11 AAC 82.951. Plan of operations. (a) Each operation conducted under an oil and gas exploration license is subject to the provisions of 11 AAC 83.158, and 11 AAC 96.010 - 11 AAC 96.140. (b) For an exploratory drilling operation, a licensee shall allow representatives of the department to (1) be on-site for drilling, coring, and testing; and (2) examine the core after drilling.

11 AAC 82.954. Relinquishment of lands. (a) On or before the fourth anniversary of the effective date of the issuance of an oil and gas exploration license and on or before every anniversary thereafter, a licensee shall deliver to the department a description of (1) the actual work completed, total cumulative direct exploration expenditure, and the percentage of the original work commitment completed; and (2) a listing of lands selected for relinquishment, if the work completed exceeds 25 percent, but is less than 50 percent, with a map at a scale of 1:250,000 indicating lands to be relinquished. (b) Relinquished lands, to the extent possible, must be comprised of full sections and described by section, township, range and meridian, or by other legal subdivision. (c) After relinquishment, retained lands must be reasonably compact and contiguous. (d) If a licensee subject to AS 38.05.132(d)(2) fails to deliver to the department the information required in (a) of this section on or before the fourth anniversary of the effective date of the oil and gas license, and on or before each successive anniversary, the commissioner will designate the lands to be relinquished. The commissioner will notify the licensee in writing of the commissioner's decision. (e) Relinquishment of lands under this section does not affect the work commitment on which the license was issued.

11 AAC 82.957. Surrenders. (a) When a licensee voluntarily surrenders an oil and gas exploration license, the provisions of 11 AAC 82.635 apply. (b) Upon the effective date of surrender of the license, a licensee shall forfeit to the state the security required in AS 38.05.132(c)(4)(B).

11 AAC 82.960. Audit. (a) The commissioner will, in the commissioner's discretion, audit expenditures by inspecting all reports and other information filed in support of or relating to direct exploration expenditures, whether or not that information is confidential. The commissioner will hold confidential information that qualifies as such, in accordance with AS 38.05.035(a)(9)(C) and (a)(9)(D). (b) The commissioner will, in the commissioner's discretion, require additional information regarding a licensee's direct exploration expenditures, reports, data, or other information relevant to the drilling of an oil and gas exploration well or the gathering of geologic or geophysical data. The commissioner will, in the commissioner's discretion, terminate a license if the licensee fails to provide the information in the time specified by the commissioner.

11 AAC 82.963. Appeals. A prospective licensee or licensee disagreeing with a decision of the department may appeal under the provisions of 11 AAC 02.

11 AAC 82.966. Assignments. The assigning of an oil and gas exploration license is subject to the provisions of 11 AAC 82.605 and 11 AAC 82.615.

11 AAC 82.969. Effective date of assignments.

11 AAC 82.972. Responsibility. The responsibilities of an assignor and an assignee of an oil and gas exploration license are subject to the provisions of 11 AAC 82.630.

11 AAC 82.975. Termination. The commissioner will, in the commissioner's discretion, terminate a license whenever a licensee fails to comply with a provision of an oil and gas exploration license, applicable statutes, regulations, or stipulations and the failure continues for a period of 60 days following written notice by the commissioner to the licensee of failure to comply. Upon termination, a licensee's oil and gas exploration license security required by AS 38.05.132(c)(4)(B) is forfeited to the state.

11 AAC 82.978. Conversion request. (a) After completion of all work commitment obligations, and before the expiration of an oil and gas exploration license, a licensee may request the conversion of all or part of the license into oil and gas leases. (b) A licensee shall submit to the department a written request providing the legal description of each proposed lease. The request may not exceed 5,760 acres of land. Proposed leased lands must be (1) reasonably compact and contiguous; (2) to the extent possible, comprised of full sections; and (3) described by section, township, range and meridian, or by other legal subdivision. (c) If the commissioner determines that a licensee has met the work commitment obligation set out in an oil and gas exploration license issued under [AS 38.05.132](#), the commissioner will provide by certified mail two copies of the lease form to the licensee for execution. A licensee shall have 30 days after receipt of the lease form to execute the form and submit payment for the first year's annual rental, payable to the Department of Revenue. The executed lease form and the first year's annual rental must be physically received by the department by the close of business on the 30th day. (d) Upon compliance with (c) of this section, the commissioner will sign the leases on behalf of the state and mail one fully executed copy to the lessee. (e) The effective date of a lease issued under this chapter is as provided for in [11 AAC 82.675](#).

11 AAC 82.981. Submittal of geologic and geophysical data. On or before each anniversary date of an exploration license, a licensee shall submit to the department all geologic and geophysical data obtained under an exploration license.

11 AAC 82.984. Confidentiality. (a) The commissioner will hold confidential all geologic and geophysical data submitted by a licensee until the land from which the data were acquired is no longer subject to an oil and gas exploration license, and provided that the land has not been converted to one or more oil and gas leases. (b) The geologic and geophysical data on each active lease shall continue to be held confidential by the commissioner, and shall remain confidential for two years after the date of conversion. If a lease expires within two years of the date of conversion, the data on that lease will no longer be held confidential by the commissioner. (c) The provisions of [11 AAC 83.153](#) shall not apply for data submitted to the commissioner that have been obtained under an exploration license.

11 AAC 82.990. Definitions. In this chapter (1) "audit" means the process of obtaining sufficient competent evidentiary matter through inspection, observation, inquiry, and confirmation to afford a reasonable basis for ascertaining the compliance by the subject of the audit with the applicable law, regulations, stipulations, and oil and gas exploration license terms and conditions; (2) "commissioner" means the commissioner of the Department of Natural Resources; (3) "department" means the Department of Natural Resources; (4) "finding" means a written finding addressing all matters set out in [AS 38.05.035](#)(e) and (g), except for [AS 38.05.035](#)(g)(1)(B)(xi); (5) "geologic data" means information gathered from surface geologic measurements, well and core hole information in a form suitable for storage, processing or interpretation, such as magnetic tape, computer disk, film, paper prints and listings; these may include mud logs; electric logs; density logs; sonic logs; neutron logs; gamma ray logs; interpretative logs such as Schlumberger's cyberlock and formation microscanners and all types of dipmeter logs; directional surveys; core (conventional and sidewall) and outcrop sample descriptions and measurements, photos and analyses, including lithologic, porosity and permeability, petrographic, geochemical, thermal maturation, fission track, radiometric dating, fluid inclusion, palynologic, paleontologic, ichnologic, and sedimentologic data and interpretations; sample descriptions; data and analyses from cuttings, including lithologic and petrographic, descriptive and interpreted palynologic and paleontologic, geochemical, and thermal maturation indicators; fluid analysis; drillstem and repeat formation tests; other formation tests; and periodic drilling and operating reports; "geologic data" also includes maps, cross sections, fence diagrams and other interpretive displays produced during the term of the license or subsequent lease; (6) "geophysical data" means all of the measurements and information obtained from electric surveys, gravity surveys, magnetic surveys, seismic reflection surveys, seismic refraction surveys and remote sensing; the information may be in the form of both raw field data and data that are the result of any processing or reduction in a form suitable for storage, processing, or interpretation, such as magnetic tape, computer disk, film, paper prints, or listings.