



November 28, 2018

**Decision of No Substantial New Information
2019 Alaska Peninsula Areawide Lease Sale**

Introduction

Under 38.05.035(e), the director of the Alaska Department of Natural Resources (DNR), Division of Oil and Gas (DOG) may hold an oil and gas areawide lease sale after a written finding that the interests of the state will be best served. A written best interest finding for areawide lease sales expires ten years after issuance. Under AS 38.05.035(e)(6)(F), a most recent areawide final best interest finding is subject to annual public Calls for New Information (CFNI) to facilitate that year's lease sale and, if the director determined that substantial new information had become available, the final best interest finding would be supplemented with new information. The following tables show the decision history for the Alaska Peninsula (AP) areawide final best interest finding:

Alaska Peninsula Areawide Oil and Gas Lease Sale Decisions	
<i>Date</i>	<i>Decision</i>
December 1, 2014	Final Finding of the Director
January 15, 2016	Decision of No Substantial New Information
January 26, 2017	Decision of No Substantial New Information
November 30, 2017	Decision of No Substantial New Information

On September 24, 2018, DOG issued a CFNI regarding the 2019 Alaska Peninsula areawide oil and gas lease sale. The CFNI requested interested parties to submit to DOG substantial new information that has become available over the past year to supplement the most recent final findings for the area. The submission period ended on October 26, 2018.

As stated in the CFNI, DOG generally considers substantial new information to include published research, studies, or data directly relevant to the matters listed in AS 38.05.035(g) and to the lands covered in the final finding that justify a supplement to the final finding and have become publicly available over the past year. Matters listed in AS 38.05.035(g) include:

- property descriptions and locations;
- petroleum potential of the sale area, in general terms;
- fish and wildlife species and their habitats in the area;
- current and projected uses in the area, including uses and value of fish and wildlife;
- governmental powers to regulate the exploration, development, production, and transportation of oil and gas or of gas only;
- reasonably foreseeable cumulative effects of exploration, development, production, and transportation for oil and gas or for gas only on the sale area, including effects on subsistence uses, fish and wildlife habitat and populations and their uses, and historic and cultural resources;

- lease stipulations and mitigation measures, including any measures to prevent and mitigate releases of oil and hazardous substances, to be included in the leases, and the protections offered by these measures;
- method or methods most likely to be used to transport oil or gas from the lease sale area, and the advantages, disadvantages, and relative risks of each;
- reasonably foreseeable fiscal effects of the lease sale and the subsequent activity on the state and affected municipalities and communities, including the explicit and implicit subsidies associated with the lease sale, if any;
- reasonably foreseeable effects of exploration, development, production, and transportation involving oil and gas or gas only on municipalities and communities within or adjacent to the lease sale area;
- the bidding method or methods adopted by the commissioner under AS 38.05.180.

In response to the CFNI, DOG received timely comments from one commenter. The director has reviewed and considered the agency comments and documents referenced or included with the comments.

Decision

The director finds that no substantial new information was received in response to the CFNI to justify a supplement to the Alaska Peninsula Areawide Final Best Interest Finding.

Responses to Timely Public Comments

Each comment, including the director's responses, are summarized below.

Alaska Department of Fish and Game (ADF&G)

Comment 1 Summary: ADF&G noted that the spotted seal should be deleted from the species listed as threatened or endangered under the federal Endangered Species Act in the Executive Summary on page ii and in Chapter Three, Description of the Lease Sale Area, on page 3-1.

Director's Response: The Division agrees the spotted seal was inaccurately listed as threatened in the 2014 Alaska Peninsula Areawide Final Best Interest Finding. Spotted seals were petitioned for listing under the Endangered Species Act in March 2008 and in October 2009 it was determined that listing was not warranted (74 FR 53683). Because this listing did not include designations of critical habitat or other restrictions that may be applied to the Sale Area, the Division does not find that this information justifies a supplement to the Final Finding. However, this information will be retained and reviewed when DOG begins drafting a new best interest finding for the Alaska Peninsula Areawide lease sales.

Comment 2 Summary: ADF&G recommended adding information in Chapter Four Habitat, Fish, and Wildlife, to state that Pacific white-sided dolphins are found in and near Bristol Bay year-round; and that the area near Port Moller appears to be important habitat for them especially in spring and summer. Additionally, ADF&G suggested including similar information in Chapter Eight Reasonably Foreseeable Effects of Leasing and Subsequent Activity, stating that the Pacific white-sided dolphin could potentially be exposed to seismic testing, increased vessel traffic, and construction noise if oil and gas development occur in this area.

Director's Response: The information provided by ADF&G was not included in Chapter Four Habitat, Fish, and Wildlife, and Chapter Eight Reasonably Foreseeable Effects of Leasing and Subsequent Activity of the 2014 Alaska Peninsula Areawide Final Best Interest Finding. The Best Interest Finding is a decision document and is not intended to be an all-inclusive reference document for the fish and wildlife

occurring in the Lease Sale Area. Pacific white-sided dolphin are protected under the Marine Mammal Protection Act which is discussed in Chapter Seven Governmental Powers to Regulate Oil and Gas under the purview of the National Oceanic and Atmospheric Administration's roles and responsibilities. This information does not justify a supplement to this final finding. However, this information will be retained and included when DOG begins drafting a new best interest finding for the Alaska Peninsula.

Comment 3 Summary: ADF&G provided alternative text for a section of Chapter Four Habitat, Fish, and Wildlife regarding the haulout locations for Pacific walrus. The suggested text clarifies that Pacific walrus repeatedly use the same haulout sites, and that several historically used haulout sites have been revisited in recent years including: Cape Greig, Port Heiden, Cinder River, and Amak Island. They suggest citing to the USGS Pacific Walrus Coastal Haulout Database.

Director's Response: Pacific walrus were considered and discussed in Chapter Four Habitat, Fish, and Wildlife of the Alaska Peninsula Final Best Interest Finding. Although the information provided by ADF&G is new, it does not justify a supplement to the 2014 Alaska Peninsula Areawide Final Best Interest Finding. However, this information will be retained and reviewed when DOG begins drafting a new best interest finding for the Alaska Peninsula.

Comment 4 Summary: ADF&G provided supplemental text for Chapter Eight Reasonably Foreseeable Effects of Leasing and Subsequent Activity regarding Pacific walrus and their sensitivity to anthropogenic sources.

Director's Response: The suggested amendments to the text clarify that Pacific walrus are more likely to stampede when disturbed at on land haulouts. The suggested text provides some clarification, but is similar to the information currently provided. This clarification does not justify a supplement to the 2014 Alaska Peninsula Areawide Final Best Interest Finding. However, this information will be retained and reviewed when DOG begins drafting a new best interest finding for the Alaska Peninsula.

Comment 5 Summary: ADF&G provided supplemental text for Chapter Eight Reasonably Foreseeable Effects of Leasing and Subsequent Activity adding bowhead and humpback whales, and specifying the Cook Inlet beluga whales, and Northern Sea Otter, Southwest Alaska distinct population segment to the list of species protected under the Endangered Species Act.

Director's Response: DOG acknowledges the missing information and clarification. Marine mammals are protected under the Marine Mammal Protection Act which is discussed in Chapter Seven Governmental Powers to Regulate Oil and Gas under the purview of the National Oceanic and Atmospheric Administration's roles and responsibilities. This information does not justify a supplement to this final finding. However, this information will be retained and included when DOG begins drafting a new best interest finding for the Alaska Peninsula.

Comment 6 Summary: ADF&G stated that Chapter Nine does not include mitigation measures for avoidance of disturbance, seismic activities, facility siting, or spill prevention and control in relation to marine mammals and walrus.

Director's Response: Mitigation measures in Chapter Nine address the spill prevention and response, siting of facilities, and avoidance of disturbance for certain activities. They do not specifically address protection of marine mammals or walrus. Marine mammals are protected under the Marine Mammal Protection Act and this is discussed in Chapter Seven Governmental Powers to Regulate Oil and Gas under the purview of the National Oceanic and Atmospheric Administration's roles and responsibilities. This information does not justify a supplement to this final finding. This information will be retained and included when DOG begins drafting a new best interest finding for the Alaska Peninsula.

Conclusion

The director has considered the comments submitted in response to the CFNI for the 2019 Alaska Peninsula areawide lease sale, and finds that the comments do not provide substantial new information that justifies a supplement to the 2014 Alaska Peninsula Areawide Final Best Interest Finding. However, information received will be reviewed when DOG begins drafting a new best interest finding for the Alaska Peninsula areawide lease sale area.

An eligible person affected by this decision may appeal in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of issuance of this decision, as defined in 11 AAC 02.040(c) and (d), and include the appropriate fee. An appeal may be mailed or delivered to Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to dnr.appeals@alaska.gov.

An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. If the commissioner does not act on an appeal within 30 days after issuance of this decision, the appeal is considered denied and this decision becomes a final administrative order and decision on the 31st day after issuance for the purposes of an appeal to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.



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11/28/18
Date

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