



November 30, 2017

**Decision of No Substantial New Information
2018 Cook Inlet and Alaska Peninsula Areawide Lease Sales**

Introduction

Under 38.05.035(e), the director of the Alaska Department of Natural Resources (DNR), Division of Oil and Gas (DO&G) 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 30.05.035(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 and Cook Inlet areawide final best interest findings:

Alaska Peninsula Areawide Oil and Gas Lease Sale Decisions	
<i>Date</i>	<i>Decision</i>
December 1, 2014	Final Finding of the Director
January 20, 2015	Decision of No Substantial New Information
January 15, 2016	Decision of No Substantial New Information
January 26, 2017	Decision of No Substantial New Information

Cook Inlet Areawide Oil and Gas Lease Sale Decisions	
<i>Date</i>	<i>Decision</i>
January 20, 2009	Final Finding of the Director
February 4, 2010	Decision of Substantial New Information and Supplement to the 2009 Cook Inlet Areawide Areawide Final Finding of the Director
February 8, 2011	Decision of Substantial New Information and Supplement to the 2009 Cook Inlet Areawide Final Finding of the Director
January 6, 2012	Decision of No Substantial New Information
January 22, 2013	Decision of No Substantial New Information
January 17, 2014	Decision of No Substantial New Information
January 20, 2015	Decision of No Substantial New Information
January 15, 2016	Decision of No Substantial New Information
January 26, 2017	Decision of No Substantial New Information

On September 15, 2017, the DO&G issued a Call for New Information (CFNI) regarding the 2018 Cook Inlet and Alaska Peninsula areawide oil and gas lease sales. The CFNI requested interested parties to submit to the DO&G 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 20, 2017.

As stated in the CFNI, the DO&G generally considers substantial new information to include published research, studies, or data that are directly relevant to the matters listed in AS 38.05.035(g) with respect to the lands covered in the final findings and that 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, the DO&G received one comment that was timely. The comment referenced and included documents. The director has reviewed and considered the comment and documents referenced or included with the comment.

Decision

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

Responses to Timely Public Comments

The comment and the director's response are summarized below.

U.S. Fish and Wildlife Service (USFWS)

Comment Summary: The USFWS provided the DO&G with a copy of *Biological Opinion for the Oil and Gas Activities associated with Lease Sale 244: Consultation with Bureau of Ocean Energy Management and Bureau of Safety and Environmental Enforcement*, its biological opinion regarding the Bureau of Ocean Energy Management's (BOEM) proposed oil and gas Lease Sale 244 within the lower Cook Inlet. The USFWS did not offer any specific comments regarding either the Cook Inlet Areawide Final Best Interest Finding or the Alaska Peninsula Areawide Final Best Interest Finding. The biological opinion evaluated the potential impacts of Lease Sale 244 on species protected under the Endangered Species Act (ESA) and designated critical habitat. The biological opinion specifically considered the federally threatened Alaska breeding Steller's eider (*Polysticta stelleri*), the federally threatened southwest Alaska distinct population segment (DPS) of northern sea otter (*Enhydra lutris kenyoni*), and the designated critical habitat for the southwest Alaska DPS of northern sea otter.

Director's Response: The DO&G recognizes the importance of the Steller's eider and the northern sea otter and its habitat within Cook Inlet. Chapter four, "Habitat, Fish, and Wildlife," of the Cook Inlet and Alaska Peninsula best interest findings discusses the Steller's eider, the northern sea otter, and the northern sea otter's habitat. Authorities for protection of these species are considered and discussed in chapter seven, "Governmental Powers to Regulate Oil and Gas." In chapter eight, "Reasonably Foreseeable Effects of Leasing and Subsequent Activity," the effects of activities associated with oil and gas leasing upon these species and their habitat are considered. The document provided by the USFWS provides information and studies on the effects of oil and gas related activities and offers strategies for managing the risks associated with these activities; however, this is similar to considerations and information provided in the current Cook Inlet and Alaska Peninsula areawide best interest findings and does not provide substantial new information that would justify a supplement to either best interest finding. The information provided by the USFWS will be retained and reviewed when DO&G begins drafting new best interest findings for the Cook Inlet and Alaska Peninsula areawide lease sales in the future.

Conclusion

The director has considered the comment submitted in response to the CFNI for the 2018 Cook Inlet and Alaska Peninsula areawide lease sales and finds that the comment does not provide substantial new information that justifies a supplement to the Cook Inlet Areawide Final Best Interest Finding or the Alaska Peninsula Areawide Final Best Interest Finding. However, information received will be reviewed while DO&G is drafting new best interest findings for the Cook Inlet and Alaska Peninsula areawide lease sale areas.

A person affected by this decision who provided timely written comment or public hearing testimony on 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 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 by 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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11/30/17
Date

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