

STATE OF ALASKA

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DEPARTMENT OF NATURAL RESOURCES

Division of Oil and Gas

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November 5, 2009

Dear Coastal Consistency Review Participant:

SUBJECT: Conclusive Consistency Determination – Beaufort Sea Areawide Oil and Gas Lease Sales, 2009-2018

The Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G), has reviewed the proposed Beaufort Sea Areawide oil and gas lease sales, 2009-2018 for consistency with the Alaska Coastal Management Program (ACMP). There are currently no enforceable policies in effect for the North Slope Borough, and therefore there are no district enforceable policies against which to review the lease sales. The proposed lease sale area lies predominately within the Alaska Coastal Zone. DO&G issued a proposed consistency determination under 11 AAC 110.255 on October 30, 2009.

Project History

On April 2, 2009, DO&G issued an Alaska Coastal Management Program Consistency Analysis for the Proposed Beaufort Sea Areawide oil and gas lease sales, 2009-2018, along with a preliminary best interest finding of the director (<http://www.dog.dnr.state.ak.us/oil/>). Agencies, affected districts, local governments, the oil industry, environmental organizations, and the public were invited to comment on the proposed lease sale's consistency with the ACMP. DO&G received comments addressing consistency from three organizations: the North Slope Borough, Crag Law Center (representing the Inupiat Community of the Arctic Slope and the Alaska Eskimo Whaling Commission), and Inupiat Community of the Arctic Slope (comments submitted at a public hearing). Comments focused on consistency with the ACMP, activities subsequent to leasing, effects of activities subsequent to leasing, and additional mitigation measures.

In the 9 years following the issuance of this best interest finding, ADNR will annually issue a "Call for New Information." The Call for New Information is a request for any new information that has become available since the most recent best interest finding or supplement for that lease sale area was issued. The Call for New Information provides opportunity for public comment for a period of not less than 30 days. Based on the information received, the commissioner determines whether it is necessary to supplement the finding. The commissioner then either issues a supplement to the finding or a "Decision of No New Substantial Information" 90 days before the lease sale. The supplement has the status of a final written best interest finding. The supplement is subject to a new consistency review only if the supplement may cause significant additional impacts to coastal uses or resources (11 AAC 110.820).

Consistency Determination

As the coordinating agency, DO&G has reviewed the proposed Beaufort Sea Areawide oil and gas lease sales, 2009-2018 for consistency with the statewide standards of the Alaska Coastal

Management Program set out in 11 AAC 112. DO&G finds that the Beaufort Sea Areawide oil and gas lease sales, 2009-2018 are consistent with the ACMP.

This conclusive consistency determination is based upon the consistency analysis issued on April 2, 2009, additional consistency considerations in the proposed consistency determination, mitigation measures and lessee advisories developed by DO&G in consultation with the other resource agencies as revised based on public comment, and the lease contract. The revised and complete mitigation measures, including lessee advisories, and the lease contract were attached to the proposed consistency determination. Mitigation measures are legally binding terms of any lease that might result from a Beaufort Sea areawide oil and gas lease sale. Lessee advisories alert lessees to other regulatory requirements and additional restrictions that may be imposed at the permitting stage of a proposed project or activity where entities other than DO&G have regulatory, permitting, or management authority.

An oil and gas lease grants the lessee the exclusive right to drill for, extract, remove, clean, process, and dispose of oil, gas, and associated substances. However, issuance of a lease does not authorize these activities. These activities, which occur subsequent to leasing, must be approved by a plan of operations. A plan of operations is subject to an ACMP consistency review and public notice with the opportunity for public comment if the proposed activities are within the coastal zone.

Conclusion

Based upon the review of all currently available information, including public, coastal district, and agency input, ADNDR has independently determined that the proposed Beaufort Sea areawide oil and gas lease sales, 2009-2018, conditioned by the mitigation measures and lessee advisories, are consistent with the standards of the ACMP.



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