



June 24, 2016

**Decision of No Substantial New Information
2016 Beaufort Sea, North Slope, and North Slope Foothills 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 years' 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 Beaufort Sea (BS), North Slope (NS), and North Slope Foothills (NSFH) areawide final best interest findings:

Beaufort Sea Areawide Oil and Gas Lease Sale Decision Documents	
<i>Date</i>	<i>Decision Document</i>
November 9, 2009	Final Finding of the Director
July 8, 2010	Decision of Substantial New Information and Supplement to the 2009 Beaufort Sea Areawide Final Finding of the Director
July 14, 2011	Decision of Substantial New Information and Supplement to the 2009 Beaufort Sea Areawide Final Finding of the Director
July 13, 2012	Decision of No Substantial New Information
July 1, 2013	Decision of No Substantial New Information
June 26, 2014	Decision of No Substantial New Information
June 12, 2015	Decision of No Substantial New Information

North Slope Areawide Oil and Gas Lease Sale Decision Documents	
<i>Date</i>	<i>Decision Document</i>
July 15, 2008	Final Finding of the Director
June 26, 2009	Decision of No Substantial New Information
July 8, 2010	Decision of Substantial New Information and Supplement to the 2008 North Slope Areawide Final Finding of the Director
July 14, 2011	Decision of Substantial New Information and Supplement to the 2008 North Slope Areawide Final Finding of the Director
July 13, 2012	Decision of No Substantial New Information
July 1, 2013	Decision of No Substantial New Information
June 26, 2014	Decision of No Substantial New Information
June 12, 2015	Decision of No Substantial New Information

North Slope Foothills Areawide Oil and Gas Lease Sale Decision Documents	
<i>Date</i>	<i>Decision Document</i>
May 26, 2011	Final Finding of the Director
July 13, 2012	Decision of No Substantial New Information
July 1, 2013	Decision of No Substantial New Information
June 26, 2014	Decision of No Substantial New Information
June 12, 2015	Decision of No Substantial New Information

On April 4, 2016, DO&G issued a CFNI regarding the 2016 North Slope, North Slope Foothills, and Beaufort Sea Areawide best interest findings. The CFNI requested interested parties to submit to DO&G substantial new information that has become available over the past year to supplement the most recent final findings for the areas. The submission period ended on May 13, 2016.

As stated in the CFNI, DO&G 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 findings 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, DO&G received one timely comment regarding the North Slope Foothills Areawide Best Interest Finding that referenced and included documents. The director has reviewed and considered the timely public comment, including the documents referenced and included with that comment. No comments were received regarding the Beaufort Sea and North Slope best interest findings.

Decision

The director finds that no substantial new information was received in response to the CFNI to justify a supplement to the Beaufort Sea, North Slope, or North Slope Foothills final best interest findings.

Responses to Timely Public Comments

The timely comment, including the director's response, is summarized below.

United States Department of the Interior, National Park Service (NPS)

Comment 1: North Slope Foothills – Chapter 4: Habitat, Fish and Wildlife, Dall sheep

Comment Summary: NPS stated that there has been a large decline in the Dall Sheep population across the southern boundary of the lease area, and requested that Chapter 4 be updated to reflect this information. NPS provided a reference to a resource brief published in 2015 that discussed Dall sheep population trends in Arctic Network parklands, specifically Gates of the Arctic National Park and Preserve (GAAR) and the Ikillik subarea located in the northwestern corner of GAAR.

NPS also provided a link to a wildlife management report discussing trends in populations, hunting, and harvests, published by the Alaska Department of Fish and Game (ADF&G) in 2014. The report offered a general analysis of population status in the context of hunting and harvests statewide. The report portioned the state into eight major mountain sheep range areas, recognizing the Brooks Range as one of those areas.

Director's Response: NPS provided a link to an ADF&G management report summarizing the findings from an analysis of available data from 1972-2013 on population trends, numbers of resident and nonresident hunters, numbers of sheep harvested, available hunting opportunities, harvest trends and characteristics, methods of transportation, and hunter's use of guides and other commercial services. This report alone, while informative, is not new as it has been publically available since 2014, and does not rise to the level of substantial information that would justify supplementing the NSFH Areawide Final Best Interest Finding at this time. However, this information will be retained and reviewed when DO&G begins drafting a new best interest finding for the North Slope Foothills. In future CFNI, the director will consider reports and studies if they are submitted for consideration and were published within one year prior to the CFNI.

NPS also provided a reference to a 2015 Arctic Network Dall Sheep Resource Brief published by the NPS Alaska Region Inventory and Monitoring Program to support the statement that there has been a large decline in Dall sheep populations across the entire southern boundary of the NSFH areawide lease sale area. The information provided in the brief was based on data collected from aerial surveys conducted in the Ikillik subarea of GAAR and park-wide sampling across GAAR. Data collected during annual surveys of the Ikillik subarea showed a sharp decline during 2013 and 2014 that impacted lambs and ewe-like sheep more than rams, as well as a decline in total and adult sheep populations across GAAR based on aerial surveys conducted in 2010 and 2015. However, that same brief also discussed data collected from aerial surveys that indicated a stable population in the Ikillik subarea from 2009-2012, and preliminary estimates from surveys conducted in 2015 indicated stable or slightly increasing numbers of adult sheep and higher than average lamb numbers in northeastern GAAR. Additionally, the brief stated that the exact cause of the recent decline is not known, but environmental conditions, particularly harsh winter weather like the record cold spring in 2013, are limiting factors for Dall sheep populations.

Although the resource brief referenced by NPS is new, the information provided is substantially similar to that considered and discussed in Chapter Four, Section (b)(1)(e) of the 2011 NSFH Final Finding, and does not justify a supplement at this time. This information will be retained

and reviewed when DO&G begins drafting a new best interest finding for the North Slope Foothills Areawide. In future CFNI, the director will consider reports and studies if they are submitted for consideration and were published within one year prior to the CFNI.

Comment 2: North Slope Foothills – Chapter 4: Habitat, Fish and Wildlife

Comment Summary: NPS stated that the population of the Western Arctic Caribou Herd (WAH) continues to decline, the Teshekpuk Caribou Herd (TCH) population has declined dramatically since 2011, and requested that Chapter 4 be updated accordingly. NPS provided a link to the ADF&G 2013 Caribou Management Report of Survey Inventory Activities and a reference to a U.S. Fish and Wildlife Service, Office of Subsistence Management (OSM) staff analysis report of Temporary Special Action Request WSA16-01 regarding a request to close federal public lands in Game Management Unit 23 to non-federally qualified subsistence hunters to conserve healthy wildlife populations.

Director's Response: NPS provided a link to an ADF&G caribou management report that details information regarding population trends, management actions, goals, and recommendations. This report, while informative, is not new as it has been publically available since 2013, and does not rise to the level of substantial information that would justify supplementing the NSFH Final Best Interest Finding at this time.

The other information offered by NPS is an OSM staff analysis report of Temporary Special Action request WSA16-01 regarding a request to close federal public lands in Game Management Unit 23 to non-federally qualified subsistence hunters to conserve healthy wildlife populations. While only a small portion of the sale area is included in GMU 23, the range of the WAH and TCH covers the majority of the sale area in GMU 26A and 26B. NPS expressed concern with the recent decline of the two herds, but the OSM analysis states that although the factors causing fluctuations in population are unknown, caribou abundance naturally fluctuates over decades, as shown in data collected from the 1970s to 2015. The report also states that the WAH, TCH, and Central Arctic caribou herds have ranges that overlap and the degree of mixing appears to be increasing. OSM recommended the Federal Subsistence Board oppose the request, stating that the closure was not warranted at this time, and the action would have no meaningful biological effect.

While this information is new, it would not substantially change the information considered and discussed in Chapter Four of the NSFH Final Finding, and does not justify supplementing the current best interest finding at this time. However, this information will be retained and reviewed when DO&G begins drafting a new best interest finding for the North Slope Foothills and North Slope Areawides. In future CFNI, the director will consider reports and studies if they are submitted for consideration and were published within one year prior to the CFNI.

Comment 3: North Slope Foothills – Chapter 8: Foreseeable Effects

Comment Summary: NPS stated that while they understand that specific impacts from oil and gas leasing cannot be determined until site specific locations and design information is proposed, some effects of oil and gas activity are foreseeable and can be described in broad terms. NPS recommended that Chapter 8 be supplemented to include a discussion of the foreseeable effects of oil and gas leasing on the natural sounds and night skies of Gates of the Arctic National Park and Preserve. NPS provided a reference to a series of maps and an undated State of the Park report. NPS asserts that the quality of the nighttime environment is relevant to GAAR as the nighttime photic environment and the lightscape are both a natural and cultural resource, and such information should be discussed in Chapter Eight of the 2011 NSFH Final Finding.

Director's Response: Historic and cultural resources as discussed in Chapter Three of the NSFH Final Finding include a broad range of sites and artifacts having significance to the culture of Arctic people. Chapter Eight broadly considers and discusses the reasonably foreseeable cumulative effects of oil and gas activities on historical and cultural resources as required by AS 38.05.035(g). While the information provided by NPS is new, it would not substantially change the information considered or the overall discussion in Chapter Eight of the NSFH Final Best Interest Finding, and does not justify supplementing the most recent best interest finding at this time. This information will be retained and reviewed when DO&G begins drafting a new best interest finding for NSFH. In future CFNI, the director will consider reports and studies if they are submitted for consideration and were published within one year prior to the CFNI.

Comment 4: North Slope Foothills – Chapter 9: Mitigation Measures

Comment Summary: NPS requested DO&G to modify and add mitigation measures for North Slope Foothills lease sales. NPS requested modifying the mitigation measure listed in section A.1.b. to expand the area where sight and sound impacts must be avoided or minimized, add language regarding noise attenuation and mitigation, and add language regarding what equipment or actions may require sound insulation. Additionally, NPS requested that a new mitigation measure be added to section A.1. to address impacts to air quality by minimizing releases of air pollutants and hydrocarbons, flaring of gas, and fugitive dust emissions.

The requested changes are as follows:

1. Section A.1.b. – Modify to read “Facilities must be designed and operated to avoid or minimize sight and sound impacts in **and around** areas of ~~high~~-residential, commercial, recreational, **park**, and subsistence use and important wildlife habitat. Methods may include providing natural buffers and screening to conceal facilities, **and allow for noise attenuation, noise mitigation through** sound insulation of facilities, **mufflers, equipment selection, or timing of activities**, or by using alternative means approved by the Director, in consultation with ADF&G and the NSB.”
2. Section A.1. – Add the following mitigation measure to address impacts to air quality: “Facilities must be designed and operated using equipment and practices that minimize releases of air pollutants and hydrocarbons, and flaring of gas. Facilities must use engines that adhere to current Federal and State emission standards and must be designed, constructed, and maintained to minimize fugitive dust emissions.”

Director's Response: NPS proposed to modify the language for Section A.1.b. The proposed modifications would not substantively change the scope or intent of the existing mitigation measure. NPS did not provide new information to demonstrate why the current language is insufficient, or how the proposed change would result in enhanced protections. Therefore, the suggested modifications do not rise to the level of substantial information that would justify a supplement to the most recent best interest finding.

DO&G recognizes that oil and gas activities subsequent to leasing could potentially affect air quality, and discussed this potential in Chapter 8: Reasonably Foreseeable Effects. As discussed in Chapter Seven: Governmental Powers to Regulate Oil and Gas, the Alaska Department of Environmental Conservation (ADEC) has primary and statutory responsibility to administer several regulatory programs including the federal Clean Air Act and the state's air quality program. ADEC monitors air quality and compliance, and has jurisdiction to enforce regulations

and permit requirements for the regulation and abatement of all air pollution. The Alaska Oil and Gas Conservation Commission (AOGCC) has oversight authority for flaring. There has been no substantive change to these authorities. Mitigation measures are not intended to duplicate or replace an agency's regulatory authority, and do not limit the ability of any agency to impose additional measures during post-lease sale phases. Therefore, NPS did not provide substantial new information that would justify supplementing the Final Best Interest Finding to include the proposed mitigation measure. In future CFNI, the director will consider reports and studies if they are submitted for consideration and were published within one year prior to the CFNI.

Comment 5: North Slope Foothills – General

Comment Summary: NPS stated that if leasing should occur adjacent to Gates of the Arctic National Park and Preserve, appropriate lease sale stipulations should be developed in cooperation with NPS to address the unique environmental conditions and resource values of the area. NPS stated that suggested lease stipulations could include: no surface occupancy requirements, requirements to use noise abatement techniques such as mufflers and privacy walls, restrictions of timing of operations, and requirements to use the least environmentally damaging exploration, development and production technology. Additionally, NPS requested the opportunity to review lease sale information when it is available. NPS stated that they are particularly interested in the location of leased lands and potential exploration sites, exploration and development methodologies to be employed, future planned location of oil and gas support facilities, and all plans of operation, including post-exploration and post-development reclamation, which may occur near the boundaries of the Park.

Director's Response: As discussed in Chapter Two of the NSFH Final Best Interest Finding, the scope of review in an Areawide best interest finding addresses matters regarding the lease sale phase and uses authorized by the lease sale. The concerns raised by NPS are related to post-leasing activities on specific sites. As discussed in Chapter Two, Chapter Six, and Chapter Nine, a lessee is required to submit a plan of operations identifying the specific measures, design criteria, construction methods, and standards that will be employed to meet the provisions of the lease before any exploration, development, or production-related activities will be permitted. A plan of operations is subject to extensive technical review, and site specific stipulations are often imposed during this phase. NPS did not provide any substantial new information that would justify a supplement to the current NSFH Final Best Interest Finding.

NPS requested the opportunity to review lease sale information when it is available, and expressed an interest in information such as plans of operation and plans of development, that are developed and evaluated as required in the post-leasing phases. DO&G publishes lease sale information at least 45 days prior to the sale. Lease sale information is publically available at <http://dog.dnr.alaska.gov/Leasing/LeaseSales.htm>, and disseminated via the Leasing Section listserv. For more information, or to subscribe to email announcements from the Leasing Section, please visit http://dog.dnr.alaska.gov/Leasing/Documents/Email_Subscription_FAQs.pdf. While post-leasing phases are not covered by this CFNI or BIF, information regarding these activities and opportunities to submit public comments is available at <http://dog.dnr.alaska.gov/Permitting/Permitting.htm>.

Therefore, this comment is not substantial new information and does not justify a supplement. In future CFNI, the director will consider reports and studies if they are submitted for consideration and were published within one year prior to the CFNI.

Comment 6: North Slope Foothills – General

Comment Summary: NPS stated that in the event damage is caused to park resources inside a park boundary from activities associated with a company’s oil and gas operations outside park boundaries, NPS has the authority to recover up to triple the damages under the Park System Unit Resources Protection Act, 54 U.S.C. §100721 et seq. NPS stated that it encourages operators to take appropriate reasonable and prudent measures in advance to protect park resources.


Director’s Response: As discussed in Chapter Seven: Governmental Powers to Regulate Oil and Gas, and reiterated in Paragraph 26 of the Sample Competitive Oil and Gas Lease located in Appendix C of the 2011 NSFH Final Finding, it is the responsibility of all lessees to know and comply with all applicable state, federal, and local laws, regulations, policies, and ordinances. Enforcement of the provision of the Park System Unit Resources Protection Act are solely within the jurisdiction of NPS. Therefore, this comment is not new and substantial information that would justify supplementing the Final Finding at this time. This information will be retained and reviewed when DO&G begins drafting a new best interest finding for NSFH. In future CFNI, the director will consider reports and studies if they are submitted for consideration and were published within one year prior to the CFNI.

Conclusion

The director has considered the comments submitted in response to the CFNI for the 2016 North Slope, North Slope Foothills, and Beaufort Sea Areawide lease sales, and finds that the comments do not provide substantial new information that justifies a supplement to the North Slope Areawide Final Best Interest Finding, North Slope Foothills Areawide Final Best Interest Finding, or Beaufort Sea Areawide Final Best Interest Finding. However, information received will be reviewed and updated when DO&G begins drafting new best interest findings for the North Slope, North Slope Foothills, and Beaufort Sea Areawide lease sale areas.

An eligible person affected by this decision may request reconsideration in accordance with 11 AAC 02. Any request for reconsideration 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 the 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 request reconsideration of this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. If the commissioner does not act on a request for reconsideration within 30 days after issuance of this decision, the request for reconsideration 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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June 24, 2016
Date

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