

# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

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February 4, 2010

## Decision of Substantial New Information Cook Inlet Areawide 2010 Oil and Gas Lease Sale

Under AS 38.05.035(e)(6)(F), a written finding is not required for an oil and gas lease sale of acreage subject to a best interest finding issued within the previous 10 years unless the commissioner determines that substantial new information has become available that justifies a supplement to the most recent best interest finding. The final finding for the Cook Inlet Areawide was issued on January 20, 2009. On November 24, 2009, the Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G) issued a Call for New Information regarding its proposal to offer all available state acreage in the Cook Inlet Areawide 2010 oil and gas lease sale. The purpose of the call was to provide an opportunity for interested parties to submit to DO&G any substantial new information that has become available since issuance of the best interest finding for this area.

In response to the call, DO&G received comments from the Alaska Department of Fish and Game (ADF&G), Division of Habitat. ADF&G submitted updates to the listing of anadromous waters, updated harvest estimates for some species, updated abundance estimates for some species, updated distribution information for Tule white-fronted geese, and provided some minor corrections to the 2009 final finding. Although some of this information is new, it is not substantial information that justifies a supplement to the most recent best interest finding. ADF&G also noted that critical habitat for Cook Inlet beluga whales has been proposed by NMFS. At this time, critical habitat designations for Cook Inlet beluga whales have not been finalized, and therefore the statement from the January 20, 2009 best interest finding, "NMFS critical habitat designations are pending" is still accurate.

In comments it submitted for the Alaska Peninsula Areawide at the same time, ADF&G also noted that on October 8, 2009, final critical habitat designations were made by USFWS for the southwest Alaska Distinct Population Segment of the northern sea otter, which is listed as threatened under the federal Endangered Species Act. Critical habitat designations for this population fall within the Cook Inlet lease sale area as well as the Alaska Peninsula lease sale area. This information is new and substantial, and therefore justifies a supplement to the most recent best interest finding.

Priscilla Russell and Arthur Konski of Anchor Point submitted a letter opposing oil and gas exploration in the North Fork River area of the Kenai Peninsula, and expressed concerns about effects on local neighborhoods and underground water systems. However, they did not submit any new information. Chapter Eight, Section A1c of the current (January 20, 2009) finding discusses potential effects on groundwater and groundwater uses. Mitigation Measures A(1)(a) and (b) address impacts to local neighborhoods, and Mitigation Measure A(4)(g) allows for monitoring of freshwater aquifers.

*"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."*

The City of Seward submitted a letter supporting a decision by DO&G to continue with oil and gas lease sales in Cook Inlet, and the State's efforts to responsibly develop the area's natural resources and diversify oil and gas resource development. However, the City of Seward did not submit any new information.

ADNR has carefully reviewed the comments submitted by ADF&G, Ms. Russell and Mr. Konski, and the City of Seward, and has determined that substantial new information has become available that justifies a supplement to the most recent best interest finding for Cook Inlet Areawide oil and gas lease sales. See attachment.

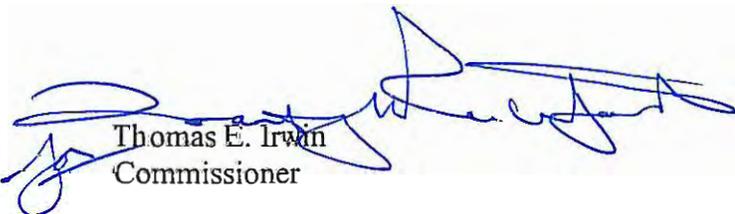
A person affected by this decision who provided timely written comment may request reconsideration, in accordance with 11 AAC 02. Any reconsideration request must be received by February 24, 2010, and may be mailed or delivered to:

Thomas E. Irwin, Commissioner  
Alaska Department of Natural Resources  
550 W. 7th Avenue, Suite 1400  
Anchorage, Alaska 99501

faxed to 1-907-269-8918

or by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov).

If reconsideration is not requested by that date or if the commissioner does not order reconsideration on his own motion, this decision goes into effect as a final order and decision on March 8, 2010. Failure of the commissioner to act on a request for reconsideration within 30 days after issuance of this decision is a denial of reconsideration and is a final administrative order and decision for purposes of an appeal to Superior Court. The decision may then be appealed to Superior Court within a further 30 days in accordance with the rules of the court, and to the extent permitted by applicable law. An eligible person must first request reconsideration of this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.



Thomas E. Irwin  
Commissioner

ATTACHMENT: Supplement to the Cook Inlet Areawide 2009 Oil and Gas Lease Sale Final Finding of the Director

cc: Gayle Martin, Habitat Biologist  
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