STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

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July 14, 2011

Decision of Substantial New Information for 2011 Beaufort Sea Areawide and 2011 North Slope Areawide Oil and Gas Lease Sales

On March 21, 2011, 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 2011 Beaufort Sea Areawide and the 2011 North Slope Areawide oil and gas lease sales. The period for comment closed on April 29, 2011. During that time, interested persons could submit to DO&G any substantial new information that had become available since issuance of the best interest findings for these areas. The current Beaufort Sea Areawide final best interest finding was issued on November 9, 2009 (Beaufort Sea Final Finding). The current North Slope Areawide final best interest finding was issued on July 15, 2008 (North Slope Final Finding).

In response to the call, DO&G received comments from the Alaska Department of Fish and Game (ADF&G), The Wilderness Society, and the Northern Alaska Environmental Center. All commenters directed their comments to both the Beaufort Sea and North Slope areas. The comments are summarized below along with DO&G's response to each comment.

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 is available that justifies a supplement to the most recent best interest finding.

Decision

Based on comments and information received in response to the Call for New Information, the ADNR commissioner finds that there is substantial new information that justifies supplements to the most recent best interest findings for the Beaufort Sea and the North Slope Areawide lease sales.

A lease only gives the lessee the *right* to conduct activities such as exploration, development, and production. It does not authorize the *performance* of these activities. A plan of operations or a unit plan of operations must be approved before any activities begin on or in the leased area. In addition, all oil and gas activities are subject to numerous federal, state, and local laws, regulations, policies, and ordinances with which the lessee must comply.

Public Comments Received

1. ADF&G's Comment

a. The ADF&G commented that telemetry observations of some bowhead whale migration paths are closer to shore than previously thought or observed. The commenter noted that no related data have been published to date.

DO&G Response: The ADF&G did not provide any published reports or studies documenting substantial new information about bowhead whale migration paths. Therefore, this is not substantial new information that justifies a supplement to the Beaufort Sea Final Finding or the North Slope Final Finding. The commissioner will consider published bowhead whale migration path reports and studies if they are submitted for consideration during future Calls for New Information.

2. The Wilderness Society's Comments

a. The Wilderness Society (TWS) commented that new information developed by the State of Alaska, Department of Environmental Conservation (ADEC) identifies spill problems with North Slope oil and gas field development. TWS noted ADEC's North Slope Spills Analysis, dated November 2010, found 71 of the 640 loss-of-integrity spills from 1995-2009 were from federally-unregulated pipelines or "flowlines"; that corrosion accounts for an unusually high percentage of flowline spills; and that corrosion is the most frequent cause for spills greater than 1,000 gallons. TWS also commented that the report recommended the state develop requirements for an integrity management program for oil/gas field infrastructure, especially flowlines, require the use of improved leak detection technology, and establish a system of "escalating enforcement to enhance and increase regulatory attention on operators that have spills."

DO&G Response: The stated goal of the ADEC's North Slope Spills Analysis is to reduce the frequency and severity of future spills from North Slope crude oil piping infrastructure integrity loss. The North Slope Spills Analysis is a continuation of efforts started in 2008 to conduct the Alaska Risk Assessment (ARA). The ARA was proposed as a quantitative risk assessment of the North Slope crude oil infrastructure to consider, among other factors, whether the age of the North Slope oil infrastructure was a significant causal factor contributing to oil spills (Robertson et al. 2010).

Recommendations from the North Slope Spills Analysis report that may apply to mitigation measures for state oil and gas leases are: move to an integrated Integrity Management Program that focuses on leading indicators (Robertson et al. 2010); conduct regular and ongoing proactive risk analyses to maintain systems at a prescribed level of safety; and, share information from risk analyses among operators and with regulators (Robertson et al. 2010).

Therefore, because the North Slope Spills Analysis report is specific to the oil and gas industry infrastructure under the State of Alaska jurisdiction and was published in November 2010, the commissioner finds that the report constitutes substantial new information that justifies supplements to the most recent best interest finding.

The commissioner also finds that because many of the North Slope Spills Analysis report recommendations are specific to ADEC, will require additional regulatory authority from the legislature, or are still being reviewed by the state, it is not appropriate to modify, add, or delete mitigation measures from the final findings at this time. However, the commissioner will consider information and recommendations from the Oil Spill Commission (OSC) final report to the president, dated January 11, 2011 (OSC 2011). Please refer to comment 3a and the DO&G's response below. The report presents the history of offshore oil and gas development in the United States, discusses current regulatory oversight and corporate culture regarding human safety and risk management, and examines the causes and consequences associated with the Deepwater Horizon incident. The commissioner finds that additional mitigation measures or other statutory or regulatory requirements may be implemented after investigations and inquiries are complete, and

therefore, the following lessee advisory is added to the Beaufort Sea Final Finding through supplement (see Attachment A):

> *The State of Alaska is in the process of reviewing and evaluating information from the Deepwater Horizon investigations and the Alaska Risk Assessment reports, and is determining which of the information and recommendations are applicable to Alaska, which recommendations to implement, and the next steps for implementing them. As this process develops, new or modified mitigation measures, lessee advisories, or other statutory or regulatory requirements addressing issues such as safety, environmental safeguards, risk management, and reporting standards may be forthcoming.*

3. Northern Alaska Environmental Center, et. al. Comments Regarding 2011 Beaufort Sea Areawide

The following comments were submitted on behalf of the Northern Alaska Environmental Center, Resisting Environmental Destruction on Indigenous Lands (REDOIL), Sierra Club, Natural Resources Defense Council, Friends of Alaska National Wildlife Refuges, Center for Biological Diversity, Defenders of Wildlife, and Alaska Wilderness League (commenters) regarding the 2011 Beaufort Sea Areawide lease sales.

a. The commenters stated that the Court's holding and order in *REDOIL, et. al. v. Sullivan,* dated February 22, 2011, constitutes significant new information, and that the Beaufort Sea Final Finding must be supplemented and amended to reflect the court's ruling and ADNR's legal obligations.

DO&G Response: ADNR will comply with the court's decision in *REDOIL, et al. v. Sullivan*. The commissioner will supplement the Beaufort Sea Final Finding as follows (see Attachment A):

> *In 2010, REDOIL et. al. filed a superior court appeal against the State of Alaska, Department of Natural Resources, questioning whether or not a 2001 amendment to AS 38.05.035(e) authorizing the director to prepare a single written BIF violates the provisions of Article VIII of the Alaska Constitution. The court issued a Memorandum Decision and Order on this question on February 22, 2011. The State of Alaska, Department of Natural Resources, will comply with the court's decision in REDOIL, et. al. v. Sullivan unless modified by the Alaska Supreme Court.*

b. Commenters stated that new information from investigations into the Deepwater Horizon incident, including gas blowouts and Arctic oil spill response, containment, and search should be included in a revised Beaufort Sea Areawide BIF that addresses all new information and considers new stipulations and mitigation measures. Commenters stated that the Alaska Oil and Gas Conservation Commission (AOGCC) is reviewing and assessing the adequacy of Alaska's relevant statutes and regulations, and that AOGCC is awaiting completion of the Bureau of Ocean Energy, Management, Regulation, and Enforcement (BOEMRE) and U.S. Coast Guard (USCG) Joint Investigative Team report to consider in its findings. Commenters stated that AOGCC has scheduled public hearings for September 15, 2011. Finally, commenters stated that, "Only after those investigations are completed can a comprehensive review of the full implications of the BP Gulf Disaster spill to operations in the Beaufort Sea be incorporated into the State's BIF and the direct, indirect, and cumulative impacts of oil and gas development both offshore and onshore be evaluated."

DO&G Response: In his Decision of Substantial New Information for the Beaufort Sea Areawide 2010A oil and gas lease sales, dated July 8, 2010, the director found that the Deepwater Horizon

incident was substantial new information, but that causes of the incident were unknown. Since that time, additional substantial new information has been published. For instance, the OSC released its final report to the president on January 11, 2011 (OSC 2011). The report presents the history of offshore oil and gas development in the United States, discusses current regulatory oversight and corporate culture regarding human safety and risk management, and examines the causes and consequences associated with the Deepwater Horizon incident.

The report includes the following conclusions (OSC 2011):

- The explosive loss of the Macondo well could have been prevented.
- The immediate causes of the Macondo well blowout can be traced to a series of identifiable mistakes made by BP, Halliburton, and Transocean that reveal such systematic failures in risk management that they place in doubt the safety culture of the entire industry.
- Deepwater energy exploration and production, particularly at the frontiers of experience, involve risks for which neither industry nor government has been adequately prepared, but for which they can and must be prepared in the future.
- To ensure human safety and environmental protection, regulatory oversight of leasing, energy exploration, and production require reforms even beyond those significant reforms already initiated since the Deepwater Horizon disaster. Fundamental reform will be needed in both the structure of those in charge of regulatory oversight and their internal decisionmaking process to ensure their political autonomy, technical expertise, and their full consideration of environmental protection concerns.
- Because regulatory oversight alone will not be sufficient to ensure adequate safety, the oil and gas industry will need to take its own, unilateral steps to increase dramatically safety throughout the industry, including self-policing mechanisms that supplement governmental enforcement.
- The technology, laws and regulations, and practices for containing, responding to, and cleaning up spills lag behind the real risks associated with deepwater drilling into large, high-pressure reservoirs of oil and gas located far offshore and thousands of feet below the ocean's surface. Government must close the existing gap and industry must support rather than resist that effort.
- Scientific understanding of environmental conditions in sensitive environments in deep Gulf waters, along the region's coastal habitats, and in areas proposed for more drilling, such as the Arctic, is inadequate. The same is true of the human and natural impacts of oil spills.

The report includes 31 specific recommendations divided into the following seven categories (OSC 2011):

1. Improve the safety of offshore operations;
2. Safeguard the environment;
3. Strengthen oil spill response, planning and capacity;
4. Advance well-containment capabilities;
5. Overcome the impacts of the Deepwater Horizon spill and restoring the Gulf;
6. Ensure financial responsibility; and,
7. Promote congressional engagement to ensure responsible offshore drilling.

Most of the report and recommendations are specific to the Deepwater Horizon incident, federal government oversight (namely the former MMS), and Congress. However, many discussions in the report regarding industry and government not keeping pace with the rapid changes in technology and

the general structure of the oil and gas industry have some applicability to oil and gas operations in Alaska and State of Alaska oversight.

Therefore, the commissioner finds that investigations into the Deepwater Horizon incident constitute substantial new information that justifies supplements to the most recent best interest findings.

The commissioner also finds that because the USCG and BOEMRE investigations and the AOGCC inquiry are ongoing, it is not appropriate to modify, add, or delete mitigation measures from the final finding at this time. However, the commissioner finds that it is likely that additional mitigation measures or other statutory or regulatory requirements will be implemented after these investigations and inquiries are complete, and therefore, the following lessee advisory is added to the Beaufort Sea Final Finding through supplements (see Attachment A):

> *The State of Alaska is in the process of reviewing and evaluating information from the Deepwater Horizon investigations and the Alaska Risk Assessment reports, and is determining which of the information and recommendations are applicable to Alaska, which recommendations to implement, and the next steps for implementing them. As this process develops, new or modified mitigation measures, lessee advisories, or other statutory or regulatory requirements addressing issues such as safety, environmental safeguards, risk management, and reporting standards may be forthcoming.*

c. Commenters stated that a March 2010 report by the U.S. General Accounting Office found several flaws in how Alaska's MMS regional office has fulfilled its responsibilities under the National Environmental Policy (NEPA)[1], and that assessment of this information is appropriate within the Beaufort Sea Final Finding.

DO&G Response: The commissioner finds that an analysis of the cited information is outside the scope of DO&G's review. DO&G is charged with managing state oil and gas resources, not federal resources. Additionally, the cited study concerns the North Aleutian Basin (located on the outer continental shelf (OCS) where the Aleutian Islands meet the Alaskan mainland around Bristol Bay), which is well outside the geographic area of the Beaufort Sea Areawide lease sale. For these reasons, the commissioner finds that the report does not constitute substantial new information that justifies a supplement to the most recent best interest finding.

d. Commenters noted that there is new information from the Alaska Department of Environmental Conservation regarding the lack of integrity of existing pipelines, especially non-federally regulated oil and gas field flowlines and produced water lines, and that it is relevant to the Beaufort Sea Final Finding.

DO&G Response: Commenters cited to reports from the Alaska Risk Assessment project to substantiate their comment. Please refer to DO&G's response in 2a above.

e. Commenters stated that the Beaufort Sea Areawide sale map does not show the long-term deferral areas (Barrow and Kaktovik) that were previously deferred. They stated that changes to the deferrals constitute significant new information. The commenters also asked whether or not tracts from the

[1] General Accounting Office, March 2010, Offshore Oil and Gas Development: Additional guidance would help strengthen the Minerals Management Service's assessment of environmental impacts in the North Aleutian Basin. GAO-10-276 http://www.gao.gov/new.items/d10276.pdf

Point Thomson unit will be offered in the lease sale, and stated that if they are, this is a significant change that warrants a supplement to the finding.

DO&G Response: As explained in the 2009 Beaufort Sea Final Finding on page 3-1, deferral means that even though they were not offered for lease in the 2009 areawide lease sale, deferred tracts may be included in future lease sales. The decision of whether or not deferred tracts are offered in a lease sale is made at the time of the lease Notice of Sale and is provided to the public as part of the public notice for the annual lease sale itself. The Point Thomson areas, and areas containing deferred tracts near Barrow and Kaktovik, were included in the area considered and discussed in the Beaufort Sea Final Finding. Therefore, whether or not deferred tracts are offered in subsequent lease sales does not constitute substantial new information that justifies a supplement to the Beaufort Sea Final Finding at this time.

f. Commenters noted that on December 7, 2010, the U.S. Fish and Wildlife Service issued a polar bear critical habitat designation for key barrier islands and coastal areas and Beaufort Sea habitats contained within the sale area.

DO&G Response: The U.S. Fish and Wildlife Service's (USFWS) designation of critical habitat for polar bears under the Endangered Species Act (16 USC §§ 1531-1543) on December 7, 2010, constitutes new substantial information. Therefore, the lessee advisory at chapter 9 section B.7.a. in the Beaufort Sea Final Finding is amended through supplement to add (see Attachment A):

> *Lessees are also advised that on December 7, 2010, the USFWS designated critical habitat for polar bears in the Beaufort Sea and North Slope Areawide lease sale areas.*

In addition, the existing mitigation measures provided in the Beaufort Sea Final Finding at page 9-13 notify lessees that the Endangered Species Act of 1973 (16 USC 1531-1544) protects endangered, threatened, and candidate species in the lease sale area. The Beaufort Sea Final Finding requires lessees to comply with the USFWS's recommended protection measures to ensure adequate protection for all endangered, threatened, and candidate species in the lease sale area. Therefore, other than the amendment provided above, new related mitigation measures or lessee advisories will not be issued at this time.

g. Commenters suggested that substantial scientific background information on polar bears, their habitats, and effects of climate change on these areas warrant a supplement to the final finding.

DO&G Response: Commenters did not provide any reports or studies providing substantial new information about polar bears, their habitats, and effects of climate change on these areas. Therefore, this is not substantial new information that justifies a supplement to the Beaufort Sea Final Finding. The commissioner will consider published reports and studies on polar bears, their habitats, and effects of climate change on these areas if they are submitted for consideration during future Calls for New Information.

h. Commenters stated that a new study and other information provide significant new information documenting nearshore feeding use of bowhead whales and address activities that disturb or otherwise risk marine mammals.

DO&G Response: Commenters provided two sources of information[2]. These sources were previously addressed in the Decision of Substantial New Information, dated July 8, 2010, to the Beaufort Sea Final Finding. Therefore, the information provided by commenters does not constitute substantial new information that justifies a supplement.

i. Commenters stated that there are several proposed projects that could have cumulative impacts on the environment and the North Slope residents. These projects include: the Bullen Point road proposal, the Foothills West Transportation Access (from the Haul Road to Umiat) project, and a proposed road to Nome.

DO&G Response: The Bullen Point road project was addressed in the Decision of Substantial New Information, dated July 8, 2010, to the Beaufort Sea Final Finding. The project is still on hold. The Foothills West Transportation Access project in the North Slope Foothills and a proposed road to Nome are well outside the geographic area of the Beaufort Sea Areawide lease sale. Therefore, the commenters' statements do not constitute substantial new information that justifies a supplement.

j. Commenters stated that there is substantial new information about offshore oil spill risks to subsistence resources and how this could affect human health and climate in the Beaufort Sea areawide lease sale area. They cited to testimony provided by Rosemary Ahtuangaruak and Erik Grafe on the Jobs and Energy Permitting Act to the subcommittee on Energy and Power in the U.S. House's Energy and Commerce Committee on April 13, 2011.

DO&G Response: Ms. Ahtuangaruak gave testimony on how oil and gas development affects those who live on the Arctic Slope, and Mr. Grafe testified about the affects of a significant oil spill in arctic waters. The information provided by the commenters does not constitute substantial new information because neither Ms. Ahtuangaruak nor Mr. Grafe provided new studies or data to justify a supplement. Please refer to DO&G's response in 2b above.

k. Commenters stated that there are two studies prepared by the Alaska Native Tribal Health Consortium on climate change and human health impact assessment in Pt. Hope and Kivalina, Alaska. Commenters stated that the studies are relevant to direct and cumulative impacts of oil development.

DO&G Response: The studies cited by commenters do not discuss oil development or any direct or cumulative impacts of oil development in Pt. Hope or Kivalina. Human health impacts are discussed in chapter 8 section Q.2 of the Beaufort Sea Final Finding. Therefore, these studies do not constitute substantial new information that justifies a supplement.

l. Commenters stated that there is new information on black carbon sources that could impact sea ice and arctic climate change. They cite to an EPA draft white paper, and specifically to pages 21-22, to support their comment.[3]

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[2] Huntington, H.P. and L.T. Quakenbush. October 2009. Traditional knowledge of bowhead whale migratory patterns near Kaktovik and Barrow, Alaska and Expert panel review of monitoring and mitigation protocols in applications for incidental take authorizations.

[3] Sarofim et al. Ad hoc Working Group, Current policies, emission trends and mitigation options for Black Carbon in the Arctic Region (EPA Draft White Paper) at 21-22 (April 28, 2009).

DO&G Response: The cover page of the cited draft white paper states, "The views of the authors do not necessarily represent those of the U.S. Environmental Protection Agency, the U.S. Department of State or of any other governmental body or agency". Further, the executive summary of the referenced draft white paper states that, "Oil and gas flaring and industrial sources may also contribute to Black Carbon emissions with Arctic impact; however the scale of emissions has not been studied sufficiently to determine if these constitute significant sources." In addition, pages 21 and 22 of the draft paper suggest that diesel engines, wildfires, agricultural and prescribed burning are the major contributors to black carbon sources. Therefore, the comment does not constitute substantial new information that justifies a supplement.

m. Commenters stated that human health impacts of in-situ burning air pollution on Kaktovik residents have not been addressed.

DO&G Response: Commenters did not reference any studies or data to support their comment. Therefore, the commenters' statement does not constitute substantial new information that justifies a supplement.

4. Northern Alaska Environmental Center, et. al. Comments Regarding North Slope Areawide

The following comments were submitted on behalf of the Northern Alaska Environmental Center, Resisting Environmental Destruction on Indigenous Lands (REDOIL), Sierra Club, Natural Resources Defense Council, Friends of Alaska National Wildlife Refuges, Center for Biological Diversity, Defenders of Wildlife, and Alaska Wilderness League (commenters) regarding the 2011 North Slope Areawide lease sales.

a. The Commenters stated that the Court's holding and order in *REDOIL, et. al. v. Sullivan,* dated February 24, 2011, constitutes significant new information and that the North Slope Areawide Final Finding must be supplemented and amended to reflect the court's ruling and ADNR's legal obligations.

DO&G Response: ADNR will comply with the court's decision in *REDOIL, et al. v. Sullivan*. The commissioner will supplement the North Slope Final Finding as follows (see Attachment B):

> *In 2010, REDOIL et. al. filed a superior court appeal against the State of Alaska, Department of Natural Resources, questioning whether or not a 2001 amendment to AS 38.05.035(e) authorizing the director to prepare a single written BIF violates the provisions of Article VIII of the Alaska Constitution. The court issued a Memorandum Decision and Order on this question on February 22, 2011. The State of Alaska, Department of Natural Resources, will comply with the court's decision in REDOIL, et. al. v. Sullivan unless modified by the Alaska Supreme Court.*

b. Commenters noted that new information referred to earlier in their letter regarding the BP Gulf Coast incident and human health impact issues also apply to the North Slope Areawide lease sales.

DO&G Response: Please refer to DO&G's response under 3b regarding the BP Gulf Coast incident. The commissioner finds that it is likely that additional mitigation measures or other statutory or regulatory requirements will be implemented after the investigations and inquires are

complete, and therefore, the following lessee advisory is added to the North Slope Areawide Final Finding through supplement (see Attachment B):

> *The State of Alaska is in the process of reviewing and evaluating information from the Deepwater Horizon investigations and the Alaska Risk Assessment reports, and is determining which of the information and recommendations are applicable to Alaska, which recommendations to implement, and the next steps for implementing them. As this process develops, new or modified mitigation measures, lessee advisories, or other statutory or regulatory requirements addressing issues such as safety, environmental safeguards, risk management, and reporting standards may be forthcoming.*

Regarding the human health impacts comment, please refer to chapter 5 section C.3 of the North Slope Final Finding.

c. Commenters noted that on December 7, 2010, the USFWS issued a polar bear critical habitat designation for key barrier island and coastal areas and Beaufort Sea habitats contained within the sale area. They suggested that substantial scientific background information on polar bears, their habitats, and effects of climate change on these areas warrant a supplement to the final finding and consideration of new mitigation measures.

DO&G Response: The USFWS's designation of critical habitat for polar bears under the Endangered Species Act (16 USC §§ 1531-1543) on December 7, 2010, constitutes new substantial information. Lessee advisory 7.B.6. in the North Slope Final Finding is amended through supplement to add (see Attachment B):

> *Lessees are also advised that on December 7, 2010, the USFWS designated critical habitat for polar bears in the Beaufort Sea and North Slope Areawide lease sale areas.*

In addition, the existing mitigation measures provided in the North Slope Final Finding at page 7-11 notify lessees that the Endangered Species Act of 1973 (16 USC 1531 et. seq.) protects endangered, threatened, and candidate species in the lease sale area. The North Slope Final Finding requires lessees to comply with the USFWS's recommended protection measures to ensure adequate protection for all endangered, threatened, and candidate species in the lease sale area. Therefore, new related mitigation measures or lessee advisories will not be issued at this time.

d. Commenters stated that there are several proposed major transportation infrastructure projects that could have cumulative impacts on the environment and the North Slope residents. These projects include the Foothills West Transportation Access (from the Haul Road to Umiat) project and a proposed road to Nome.

DO&G Response: Please refer to DO&G's response under 3i above.

e. Commenters stated that there is substantial new information about offshore oil spill risks to subsistence resources and how this could affect human health and climate in the North Slope areawide lease sale area. They cited to testimony provided by Rosemary Ahtuangaruak and Erik Grafe on the Jobs and Energy Permitting Act to the subcommittee on Energy and Power in the U.S. House's Energy and Commerce Committee on April 13, 2011.

DO&G Response: Please refer to DO&G's response under 3j above.

f. Commenters stated that there is significant new information about the potential of shale oil, as described by ADNR, in the North Slope lease sale area, and that the cumulative environmental impacts need to be addressed. They cited to two newspaper articles to support their comment.[4]

DO&G Response: Commenters' cited newspaper articles, but the articles did not provide references to any reports or data. Therefore, the comment does not constitute substantial new information that justifies a supplement.

g. Commenters noted that the pending Point Thomson Environmental Impact Statement (EIS) and proposed natural gas pipeline projects need to be addressed for their cumulative impacts to the environment.

DO&G Response: Environmental Impact Statements are required federal documents under the federal National Environmental Policy Act for certain federal actions. The commissioner will consider a Point Thomson EIS if one is prepared, and will consider natural gas pipeline projects information if such projects are proposed. Transportation and pipelines were considered and discussed at chapter 6 section B. of the North Slope Final Finding. Therefore, the comment does not constitute substantial new information that justifies a supplement.

Summary

DO&G has reviewed the comments submitted by the Alaska Department of Fish and Game, The Wilderness Society, and the Northern Alaska Environmental Center, et. al., and has determined that substantial new information has become available that justifies supplements to the most recent best interest findings for the 2011 Beaufort Sea Areawide and 2011 North Slope Areawide oil and gas lease sales. Supplements for the Beaufort Sea and North Slope Final Findings will add information and lessee advisories about the Deepwater Horizon incident, the designation of critical habitat for polar bear under the Endangered Species Act, and the court's order in REDOIL, et. al. v. Sullivan. See attachments A and B.

A person who provided timely written comment and is affected by this decision may request reconsideration in accordance with 11 AAC 02. Any reconsideration request must be received by the 20th day after the date of issuance this decision and may be mailed or delivered to:

Daniel S. Sullivan, Commissioner
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1400
Anchorage, Alaska 99501
faxed to 1-907-269-8918
or emailed to 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 the 31st day after the date of issuance. 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

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[4] Petroleum News, May 1, 2011, Alaska Shale, why the state sees hope in source rocks, http://www.petroleumnews.com/pnads/6824656.shtml

Alaska Daily News, March 5, 2011, Great Bear betting big on Alaska's shale oil. http://www.adn.com/2011/03/05/1739077/great-bear-betting-big-on-alaskas.html

an appeal to Superior Court. The decision may 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.

for

Daniel S. Sullivan
Commissioner

ATTACHMENT A: Supplement to the 2009 Beaufort Sea Areawide Final Finding
ATTACHMENT B: Supplement to the 2008 North Slope Areawide Final Finding

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References Cited

OSC (Oil Spill Commission). 2011. Deepwater: The Gulf oil disaster and the future of offshore drilling. Report to the President, National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling. January 11, 2011. https://s3.amazonaws.com/pdf_final/DEEPWATER_Report to the President_FINAL.pdf

Robertson, T., E. DeCola, L. Pearson, T. Miller, B. Higman and L. K. Campbell. 2010. Alaska North Slope spills analysis: Final report on North Slope spills analysis and expert panel recommendations on mitigation measures. Prepared by Nuka Research & Planning Group, LLC. for the Alaska Department of Environmental Conservation. November 2010.