CALL FOR NEW INFORMATION

State of Alaska Oil and Gas Lease Sales

2017 Cook Inlet and Alaska Peninsula Areawides

Alaska Department of Natural Resources
Division of Oil and Gas

September 1, 2016

The Alaska Department of Natural Resources, Division of Oil and Gas (DO&G), will offer all available state acreage in the Cook Inlet Areawide and the Alaska Peninsula Areawide oil and gas lease sales areas, tentatively scheduled for Spring 2017. DO&G requests substantial new information concerning these areas that has become available over the past year.

Based on the information received, DO&G will either issue supplements to the findings or decisions of no substantial new information for these lease sales (AS 38.05.035(e)(6)(F)).

The most recent Cook Inlet Areawide final best interest finding was issued in 2009. The most recent Alaska Peninsula Areawide final best interest finding was issued in 2014. The latest supplement to the Cook Inlet best interest finding was issued February 8, 2011. The findings and supplement are located at:

dog.dnr.alaska.gov/Leasing/BestInterestFindings.htm

What Are the Alaska Oil and Gas Areawide Lease Sale Program and the Best Interest Finding?

Alaska holds annual competitive oil and gas lease sales in five defined geographic areas, called “areawide lease sales”. Before DO&G may hold an areawide lease sale in any of the five geographic areas, Alaska law requires a written best interest finding that it is in the state’s best interests to have a lease sale (AS 38.05.035(e)). A best interest finding is valid for 10 years. It describes facts and relevant laws pertaining to the proposed lease sale area and discusses the potential effects of oil and gas exploration, development, production, and transportation. It also contains mitigation measures that lessees must follow. Mitigation measures are designed to reduce or eliminate potential negative effects and are included in leases sold during the 10-year life of the findings. Mitigation measures may be modified through supplements.

What Areas Are Included in the Oil and Gas Lease Sales?

The **Cook Inlet** Areawide lease sale area encompasses about 4.2 million gross acres divided into 815 tracts currently ranging in size from 640 to 5,760 acres. These tracts are located within the Matanuska-Susitna, Anchorage, and Kenai Boroughs, and consist of state-owned uplands located in the Matanuska and Susitna river valleys generally south and west of Houston and Wasilla, the Anchorage bowl, and the western shore of Cook Inlet from Beluga River to Harriet Point. The lease sale area also includes the tide and submerged lands in upper Cook Inlet from Knik Arm and Turnagain Arm south to Anchor Point and Tuxedni Bay. The area is bounded on the east by the Chugach and Kenai mountains and on the west by the Aleutian Range. A map of this lease sale area is attached.

The **Alaska Peninsula** Areawide lease sale area encompasses about 4 million gross acres onshore and 1.75 million gross acres in offshore state waters divided into 1,047 tracts currently ranging in size from 640 to 5,760 acres. These tracts are located from the Nushagak Peninsula in the north, down the north side of the Alaska Peninsula to the vicinity of Cold Bay. The proposed sale area lies within the Lake and Peninsula Borough, Bristol Bay Borough, Aleutians East Borough, and the Dillingham Census Area. A map of this lease sale area is attached.

The land estate on these tracts may be owned by the state, a municipality, or a private entity. Only those tracts in which the mineral estate is free and unencumbered are included in any issued lease.

Deadline for receiving information:

October 31, 2016, 5:00 pm

What Is a Call for New Information?

After issuing the 10-year best interest finding, DO&G may conduct areawide lease sales in that area for up to 10 years without having to issue a new best interest finding for each lease sale provided DO&G annually solicits new information. Based on information received, DO&G determines whether the information is substantial, new, and justifies a supplement to the most recent areawide best interest finding. DO&G then issues a decision of no substantial new information, or a decision to supplement the finding at least 90 days before the lease sale. Following the decision, DO&G may proceed with a lease sale for that area in that year.

What Is "Substantial New" Information?

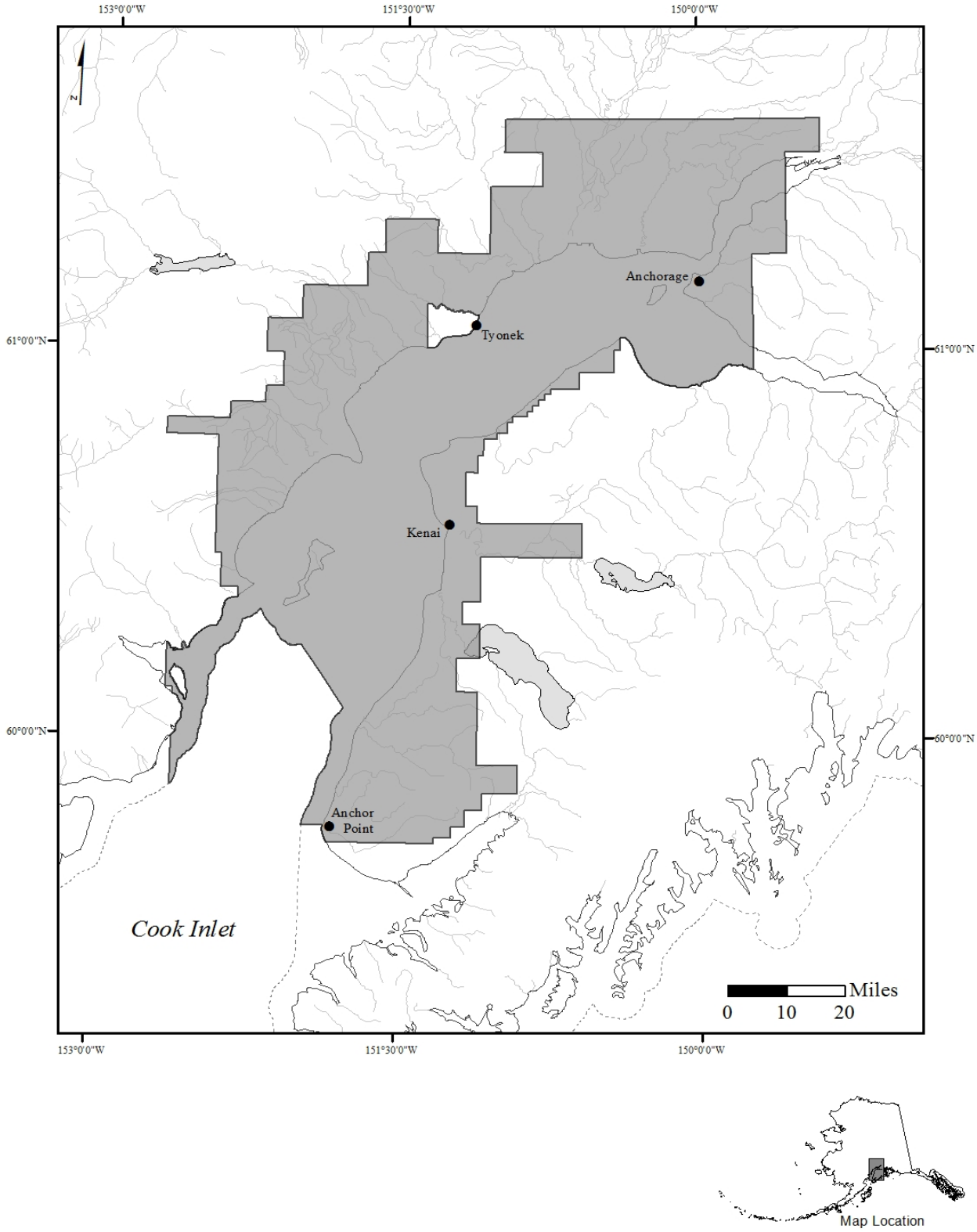
DO&G generally considers "substantial new" information to be published research, studies, or data directly relevant to the matters listed in AS 38.05.035(g) that have become publically available over the last year.

What Substantial New Information Is DO&G Requesting?

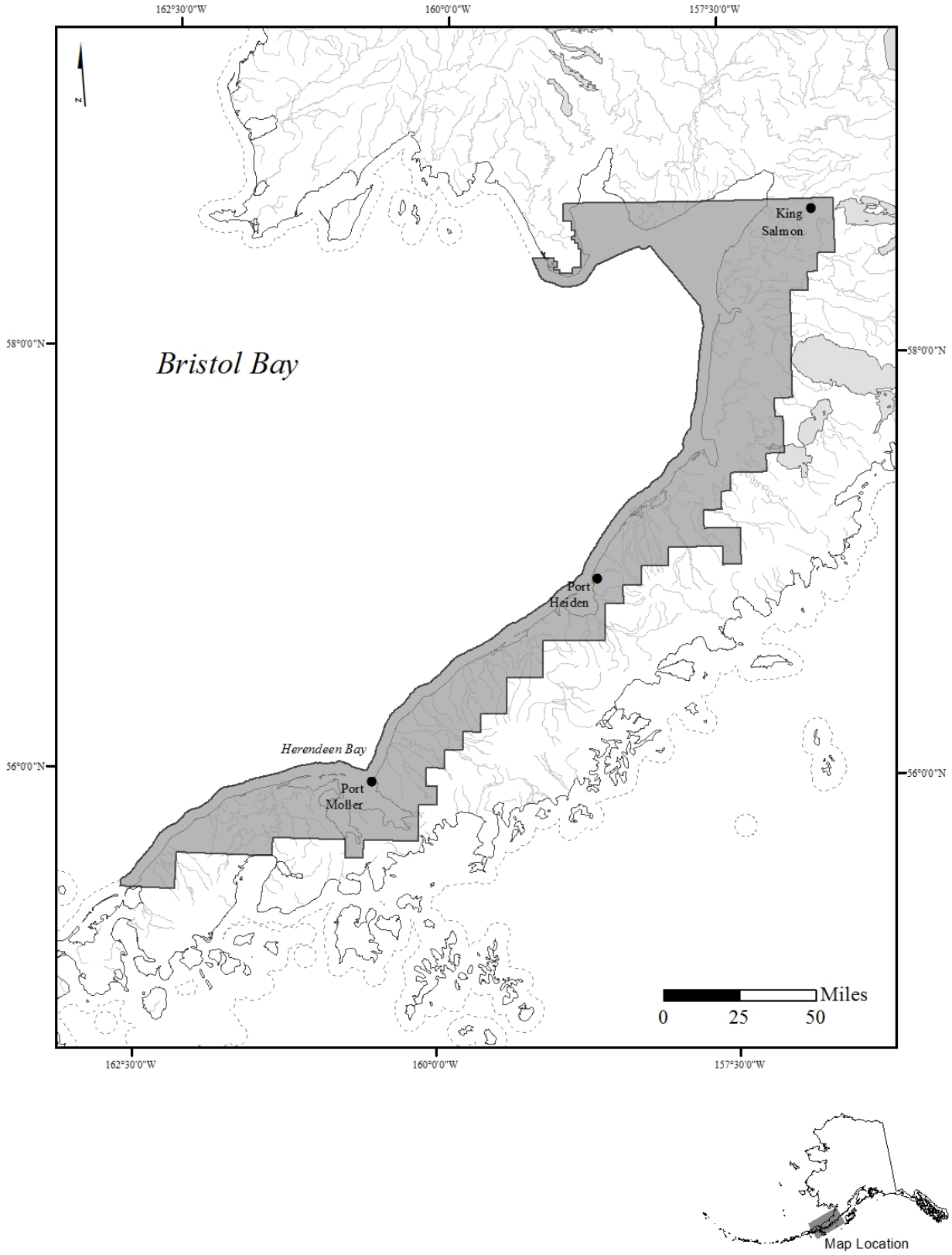
DO&G requests substantial new information on any of the following matters listed in AS 38.05.035(g) for the Cook Inlet and Alaska Peninsula areawides including:

- 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[1], including any measures to prevent and mitigate releases of oil and hazardous substances, to be included in the leases, and a discussion of 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; and
- bidding method or methods adopted by the commissioner under AS 38.05.180.

[1] DO&G generally considers "lease stipulations and mitigation measures" as conditions or limitations imposed on the lessee to ensure a resource is disposed of in a manner that mitigates the potential adverse social and environmental effects of specific lease-related activities.



Cook Inlet Lease Sale Area



Alaska Peninsula Lease Sale Area

How Do I Submit Information to DO&G?

Substantial new information must be received by October 31, 2016 at 5:00 pm, to be considered. Submit information only pertaining to the Cook Inlet or Alaska Peninsula lease sales areas. When providing information, please be as specific as possible. For example, if the information is from a published study, please provide a copy of the study or a complete reference citation so DO&G staff can obtain a copy for consideration. Send substantial new information to the Pre-Exploration Team:

By mail: Alaska Department of Natural Resources
Division of Oil & Gas
550 W. 7th Ave., Suite 1100
Anchorage, Alaska 99501-3560

By fax: 907-269-8938

By e-mail: dog.bif@alaska.gov

The State of Alaska, Department of Natural Resources, complies with Title II of the Americans with Disabilities Act of 1990. If you are a person with a disability who needs a special accommodation to participate in this process, please contact the Division of Oil & Gas at 907-269-8800 no later than October 15, 2016, to ensure that any necessary accommodations can be provided.

A person is eligible to file a request for reconsideration of the commissioner's decision and file any subsequent appeal to the Superior Court only if the person has meaningfully participated in this process by submitting written comment during the period for receipt of new information, and is affected by the final written best interest finding (AS 38.05.035(i)).

Deadline for receiving information:

October 31, 2016, 5:00 pm

Alaska Department of Natural Resources
Division of Oil and Gas
550 West 7th Avenue, Suite 1100
Anchorage, AK 99501-3560