

February 4, 2010

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

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, tentatively scheduled for May 2010. A best interest finding had been issued on January 20, 2009. In response to the call, DO&G received comments from: the Alaska Department of Fish and Game (ADF&G), Division of Habitat; Priscilla Russell and Arthur Konski of Anchor Point; and the City of Seward.

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. This information will be reviewed when DO&G begins the process for a new best interest finding for Cook Inlet in 2015.**

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 designation Subunit 4c (Port Moller and Herendeen Bay area), and a small section of Subunit 4b (Izembek Lagoon and Moffet Lagoon) fall within the Alaska Peninsula lease sale area. Critical habitat designations for this population also fall within the Cook Inlet lease sale area.

- **This information is new and substantial, and therefore justifies a supplement to the most recent best interest finding as follows (added text indicated by underlined, bold, italics):**

Cook Inlet Areawide 2010 Oil and Gas Lease Sale, modification to lessee advisory:

B(6)(a). The lessee is advised that the Endangered Species Act of 1973 (ESA), as amended (16 U.S.C. 1531 et seq.) protects the following endangered or threatened species and candidate species for listing that may occur in the lease sale area:

Common Name	Status
Fin whale	Endangered
Steller sea lion (western stock)	Endangered
Humpback whale	Endangered
Beluga whale (Cook Inlet stock)	Endangered
Steller's eider (Alaska breeding population)	Threatened
<i><u>Northern sea otter (southwest Alaska Distinct Population Segment)</u></i>	<i><u>Threatened</u></i>

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Migratory birds, sea otters, polar bears, and Pacific walrus are managed by the U.S. Fish and Wildlife Service. The National Oceanic and Atmospheric Administration, National Marine Fisheries Service is responsible for management of all other marine mammals. *The lessee is also advised that critical habitat has been designated for northern sea otter within the lease sale area in the vicinity of Chisik Island and Tuxedni Bay.*

Priscilla Russell and Arthur Konski of Anchor Point: Ms. Russell and Mr. Konski 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.

- **This is not new information that justifies a supplement to the most recent best interest finding.**

The City of Seward: 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.

- **This is not new information that justifies a supplement to the most recent best interest finding.**