



November 12, 2020

**Decision of No Substantial New Information
2021 Alaska Peninsula and Cook Inlet 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 38.05.035(e)(6)(F), a most recent areawide final best interest finding is subject to annual public Calls for New Information (CFNI) to facilitate that year’s 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 table shows the decision history for the Alaska Peninsula and Cook Inlet areawide final best interest findings:

Alaska Peninsula Areawide Oil and Gas Lease Sale Decisions	
<i>Date</i>	<i>Decision</i>
December 1, 2014	Final Finding of the Director
January 15, 2016	Decision of No Substantial New Information
January 26, 2017	Decision of No Substantial New Information
November 30, 2017	Decision of No Substantial New Information
November 28, 2018	Decision of No Substantial New Information
November 19, 2019	Decision of No Substantial New Information

Cook Inlet Areawide Oil and Gas Lease Sale Decision Documents	
<i>Date</i>	<i>Decision Document</i>
November 2, 2018	Final Finding of the Director
December 17, 2019	Decision of Substantial New Information and Supplemental Finding of the Director

On September 23, 2020, DO&G issued a CFNI regarding the 2020 Alaska Peninsula and Cook Inlet areawide oil and gas lease sales. 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 October 27, 2020.

As stated in the CFNI, the 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) with respect to the lands covered in the final findings and 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 timely comments from three commenters. The director has reviewed and considered the comments and documents referenced or included with the comments.

Responses to Timely Public Comments

Comments, including the director's responses, are summarized below.

Alaska Department of Fish and Game (ADF&G)

Comment Summary: ADF&G commented that in October 2019, the National Marine Fisheries Service proposed to designate critical habitat for two Distinct Population Segments (DPS) of humpback whales that occur in Alaska: the endangered Western North Pacific DPS and threatened Mexico DPS. Proposed critical habitat for the Western North Pacific DPS of humpback whales overlaps with tracts in the Alaska Peninsula lease sale area. Proposed critical habitat for the Mexico DPS of humpback whales overlap with tracts in both the Cook Inlet and Alaska Peninsula lease sale areas. A final rule on the critical habitat designation has not been published yet. ADF&G provided maps of the proposed critical habitat.

Director's Response: DO&G included information regarding the proposed critical habitat in the December 17, 2019 Cook Inlet Oil and Gas Lease Sale Supplemental Finding of the Director. If the critical habitat is established then the Division may supplement the Final Findings for the Cook Inlet and Alaska Peninsula and may describe mitigation measures that address these new areas established to protect the Western North Pacific and Mexico DPS of humpback whales. Because all marine mammals are protected under the Marine Mammal Protection Act administered by the National Marine Fisheries Service and the US Fish and Wildlife Service, and because of the existing protections for Cook Inlet, Bristol Bay, and state submerged lands within both areawide lease sale areas, DO&G does not find that this information justifies additional mitigation or a supplement to the Final Finding.

Kelly Ireland

Comment Summary: Kelly Ireland submitted a summary of a study conducted on the threespine stickleback fish and how they are impacted by crude oil exposure in the Cook Inlet. This study examined how crude oil affects the growth and immunity of juveniles in three freshwater (Big Lake, Bear Paw Lake, and Westchester Lagoon) and one anadromous population (Rabbit Slough) of Alaskan stickleback. The study concluded that if an oil spill were to occur in Cook Inlet, responders should make an effort to protect the streams into Westchester Lagoon as this population of stickleback appears to be especially susceptible to crude oil exposure. There are also several salmonid species native to Westchester Lagoon that likely feed on the stickleback, the detrimental effects of oil on the stickleback with the compounded effects oil has on the salmonids could severely impact salmonid populations in the area.

Director's Response: The information provided by Kelly Ireland is applicable to the fish, wildlife, and habitat of the Cook Inlet Areawide Lease Sale Area. Chapter Four of the Cook Inlet and Alaska Peninsula Areawide Oil and Gas Lease Sales Final Findings of the Director includes discussion of the fish, wildlife, and habitat of the lease sale areas, federally managed refuges, critical habitat areas, parks, and preserves as well as other designated areas. Chapter Eight of the Cook Inlet and Alaska Peninsula Areawide Oil and Gas Lease Sales Final Findings of the Director discusses how oil and gas activities may affect habitats, fish and wildlife populations, and their uses of the lease sale area. Chapter Nine of the Cook Inlet and Alaska Peninsula Areawide Oil and Gas Lease Sales Final Findings of the Director, entitled Mitigation Measures and Other Regulatory Requirements, addresses fuel and hazardous substance transfer and storage, and helps prevent releases and spills to the environment that could impact the fish and habitat of the lease sale areas. DO&G does not find that this information justifies a supplement to the Final Finding but will retain this study for future reference when drafting the next Cook Inlet Written Finding of the Director.

Bureau of Ocean Energy Management (BOEM)

Comment Summary: BOEM provided links to published work on a variety of research projects which have relevance to the Alaska Peninsula and Cook Inlet Lease Sale Areas. These publications include:

- 1) OCS Report BOEM No. 2020-014: 2D Basin Model Results, Cook Inlet, Alaska;
- 2) OCS Study BOEM No. 2019-031: Coastal Community Vulnerability Index and Visualizations of Change in Cook Inlet, Alaska;
- 3) OCS Study BOEM No. 2019-067: The Influence of Water Flow, Water Conditions, and Seasonality on Fish Communities in Estuarine Nearshore Habitats in Kachemak Bay, Alaska;
- 4) OCS Study BOEM No. 2019-075: Assessment of Nearshore Communities and Habitats: Lower Cook Inlet Nearshore Ecosystem 2015-2018;
- 5) OCS Study BOEM No. 2019-078: Nearshore Food Web Structure on the OCS in Cook Inlet; and
- 6) OCS Study BOEM No. 2018-037: ShoreZone Imaging and Mapping along the Alaska Peninsula

Director's Response: The information provided by BOEM is applicable to the Cook Inlet and Alaska Peninsula areawide lease sale areas. Chapter Four of the Cook Inlet and Alaska Peninsula Areawide Oil and Gas Lease Sales Final Findings of the Director includes discussion of the fish, wildlife, and habitat of the lease sale areas, federally managed refuges, critical habitat areas, parks, and preserves as well as other designated areas. DO&G does not find that this information justifies additional mitigation or a supplement to the Alaska Peninsula or Cook Inlet Final Findings but will retain these studies for future reference when drafting the next Alaska Peninsula and Cook Inlet Written Findings of the Director.


Decision

The director finds that no substantial new information was received in response to the CFNI that would justify a supplement to the 2014 Alaska Peninsula Areawide Written Finding of the Director or the 2018 Cook Inlet Areawide Written Finding of the Director. The director has considered the comments submitted in response to the CFNI for the 2021 Alaska Peninsula and Cook Inlet areawide lease sales and finds that the comments provide information on potential cumulative effects from oil and gas activities on marine mammals, on the threespine stickleback, coastal community vulnerability, and nearshore ecosystems in the Cook Inlet, but, a supplement to the 2014 Alaska Peninsula Areawide or the 2018 Cook Inlet Areawide Written Findings of the Director are not required. However, information received will be retained and considered when DO&G begins drafting new findings for Alaska Peninsula and Cook Inlet areawide lease sales.

Appeals

An eligible person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal 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 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. This decision takes effect immediately. An eligible person must first appeal 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.

Sincerely,

DocuSigned by:

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Tom Stokes
Director, Division of Oil and Gas