



November 19, 2019

**Decision of No Substantial New Information
2020 Alaska Peninsula Areawide Lease Sale**

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 Areawide Final Best Interest Finding:

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

On September 10, 2019, DO&G issued a CFNI regarding the 2020 Alaska Peninsula areawide oil and gas lease sale. 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 area. The submission period ended on October 10, 2019.

As stated in the CFNI, 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) and to the lands covered in the final finding that justify a supplement to the final finding and 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 two commenters. The director has reviewed and considered the agency 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 the 2014 Alaska Peninsula Areawide Final Best Interest Finding failed to discuss how anthropogenic stressors such as noise can impact whales and other marine mammals. ADF&G provided published research that shows (1) year-round use of the lease area by beluga whales, and (2) that beluga whales with the most sensitive hearing were able to hear the lowest ambient noise, suggesting that an animal's auditory dynamic range may extend to include its habitat's quietest conditions. ADF&G recommended that this section be expanded to include cumulative effects of anthropogenic noise on whales and other marine mammals.

Director's Response: DO&G agrees that potential cumulative effects of noise from oil and gas activities on whales and other marine mammals were not discussed in the 2014 Alaska Peninsula Areawide Best Interest Finding. Beluga whale abundance in Bristol Bay; the multi-species synthesis of marine mammal distributions and core use areas; acoustic habitats relative to hearing sensitivity in beluga whales; and the anthropogenic noise and Cook Inlet beluga whale studies provided by ADF&G were reviewed and will be retained and included when DO&G begins drafting a new best interest finding for the Alaska Peninsula areawide lease sale area.

DO&G considered whether this information warranted additional mitigation for oil and gas activities and a supplement to the 2014 Alaska Peninsula Areawide Best Interest Finding. Because the Bristol Bay area appears to be a winter core use area for multiple marine mammal species and because noise from oil and gas activities can affect marine mammals, we reviewed the existing protections for Bristol Bay, the Alaska Peninsula areawide lease sale area, and marine mammals. State-owned lands within the Bristol Bay Fisheries Reserve are protected from surface entry for development of oil and gas leases unless the legislature specifically finds that the entry would not constitute a danger to the fishery (AS 38.05.140(f)). Mitigation measure A.1.e states that "Drilling in offshore tracts will only be conducted directionally from onshore locations." 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 Bristol Bay and state submerged lands within the Alaska Peninsula

areawide lease sale area, DO&G does not find that this information justifies additional mitigation or a supplement to the Final Finding.

National Park Service (NPS)

Comment Summary: NPS submitted two documents and indicated that a third document was expected to be published soon in response to the CFNI. These documents address sea otter abundance and distribution and intertidal invertebrate communities and habitats in lower Cook Inlet.

Director's Response: The information provided by NPS does not apply to the Alaska Peninsula areawide lease sale area. However, this information was considered for the 2020 Cook Inlet areawide lease sale CFNI.

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 Best Interest Finding. The director has considered the comments submitted in response to the CFNI for the 2020 Alaska Peninsula areawide lease sale and finds that the comments provide information on potential cumulative effects of noise from oil and gas activities on marine mammals, but with the exclusion of surface activities for oil and gas development within the Bristol Bay Fisheries Reserve, mitigation limiting drilling to onshore locations, and federal protections for marine mammals, a supplement to the 2014 Alaska Peninsula Areawide Best Interest Finding is not required. However, information received will be retained and considered when DO&G begins drafting a new best interest finding for Alaska Peninsula 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.

If you have questions regarding this decision, contact Lynn Noel with DO&G at 907-269-8816 or via email at lynn.noel@alaska.gov.

Sincerely,



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