



December 17, 2019

**Decision of New Substantial Information and Supplement  
2020 Cook Inlet 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 Cook Inlet Areawide Best Interest Finding:

<b>Cook Inlet Areawide Oil and Gas Lease Sale Decisions</b>	
<i>Date</i>	<i>Decision</i>
November 2, 2018	Final Finding of the Director

On September 10, 2019, DO&G issued a CFNI regarding the 2020 Cook Inlet areawide oil and gas lease sale. The CFNI informed the public that DO&G was considering augmenting the Cook Inlet areawide oil and gas lease sales by including the Southwest Cook Inlet exploration license area pursuant to AS 38.05.180(d) and (w), and 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 for the CFNI 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 a Request for Agency Information (RFAI) and the CFNI, DO&G received timely comments from four agencies and no public commenters. The director has reviewed and considered the agency comments and documents referenced or included with the comments.

### **Responses to Comments**

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

#### **Division of Mining Land and Water (DMLW)**

*Comment Summary:* DMLW responded to the RFAI that the boundary expansion would not impact settlement or proposed settlement lands and that DMLW had no objection to the boundary expansion for the Cook Inlet areawide lease sale area.

*Director's Response:* Comment noted.

#### **Alaska Department of Fish and Game (ADF&G)**

*Comment Summary:* ADF&G provided text edits and references in response to the RFAI to update information in the 2014 Southwest Cook Inlet Exploration License Best Interest Finding for Pacific salmon and marine fisheries; trumpeter swans and Steller's eiders; Southwest Cook Inlet area commercial and sport fisheries and subsistence fish and wildlife uses; Cook Inlet scallop, crab, and other shellfish fisheries; and reasonably foreseeable effects of oil and gas activities on increased predation risks, seismic effects on fish, and oil spill impacts on birds and marine mammals. ADF&G commented that the Southwest Cook Inlet finding failed to address potential impacts of seismic surveys on salmon migration and fish larvae and eggs. ADF&G also added mitigation measures from the 2018 Cook Inlet Areawide Best Interest Finding into the Southwest Cook Inlet Exploration License Best Interest Finding.

*Director's Response:* ADF&G's updated information on Pacific salmon and marine fisheries; trumpeter swans and Steller's eiders; Southwest Cook Inlet area commercial and sport fisheries and subsistence fish and wildlife uses; and seismic impacts on fish eggs, fish larvae, and salmon migration were incorporated into a supplement with some revisions after further discussions with ADF&G. ADF&G's information on Cook Inlet scallop, crab, and other shellfish fisheries; reasonably foreseeable effects of oil and gas activities on increased predation risks, and oil spill impacts on birds and marine mammals; and added mitigation measures are covered by the 2018 Cook Inlet Areawide Best Interest Finding and were not incorporated into the supplemental finding. DO&G discussed with ADF&G that mitigation measures in the 2018 Cook Inlet Areawide Best Interest Finding would be applied to the expanded Cook Inlet areawide lease sale area.

## **Bureau of Ocean Energy Management (BOEM)**

**Comment Summary:** BOEM identified information sources for lease sales, active leases, proposed oil and gas exploration activities, and impact assessments for oil and gas activities in middle and lower Cook Inlet, including activity on the Iniskin Peninsula in response to the RFAI.

**Director's Response:** Information from sources identified by BOEM was incorporated into a supplement to the 2018 Cook Inlet Areawide Final Best Interest Finding.

## **Alaska Department of Fish and Game (ADF&G)**

**Comment Summary:** In response to the CFNI for 2020 Cook Inlet areawide lease sales, ADF&G recommended including new research on anthropogenic noise and Cook Inlet beluga whales and that cumulative impacts of noise be considered in the permitting process for Cook Inlet activities in areas of oil and gas production and areas with intense shipping activities.

**Director's Response:** DO&G considered potential cumulative effects of noise from oil and gas activities on whales and other marine mammals which is adequately discussed in the 2018 Cook Inlet Areawide Best Interest Finding. Acoustic habitats relative to hearing sensitivity in beluga whales; and anthropogenic noise and Cook Inlet beluga whale studies provided by ADF&G were reviewed. DO&G did not consider the submitted information warranted additional mitigation for oil and gas activities within the Cook Inlet areawide lease sale area beyond what would normally be required for compliance with the Marine Mammal Protection and Endangered Species acts.

## **National Park Service (NPS)**

**Comment Summary:** NPS submitted recent research by USFWS on sea otter surveys in lower Cook Inlet and on nearshore invertebrate communities and habitats in lower Cook Inlet sponsored by BOEM in response to the CFNI. NPS indicated that an updated report on intertidal invertebrate communities and habitats in lower Cook Inlet was expected to be published soon.

**Director's Response:** The information provided by NPS was incorporated into a supplement to the 2018 Cook Inlet Areawide Best Interest Finding. DO&G contacted BOEM concerning the status of the 2019 report on intertidal invertebrate communities and habitats in lower Cook Inlet. BOEM responded that the report would not be available before early 2020. The BOEM report was therefore not available for incorporation into a supplement.

## **Decision**

The director finds that augmenting the Cook Inlet areawide lease sale area with the Southwest Cook Inlet exploration license area and receipt of substantial new information concerning lower Cook Inlet in response to the RFAI and the CFNI justify a supplement to the 2018 Cook Inlet Areawide Best Interest Finding.

## **Appeal**

An eligible person affected by this decision may request reconsideration, in accordance with 11 AAC 02. Any request for reconsideration 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](mailto:dnr.appeals@alaska.gov). This decision takes effect immediately. An eligible person must first request reconsideration of this decision in accordance with

11 AAC 02 before appealing this decision to Superior Court. The appeal to the superior court must be initiated within 30 days from the date the reconsideration decision is published, or the date the request for reconsideration is considered denied by the commissioner's failure to act on the request, whichever is earlier. 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](mailto:lynn.noel@alaska.gov).

Sincerely,



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Tom Stokes

Director, Division of Oil and Gas

Attach: Supplemental Finding of the Director

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