



May 12, 2020

**Decision of No Substantial New Information
2020 North Slope Foothills, North Slope, and Beaufort Sea 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 is valid for ten years from the date of 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 dispose of lands in that year's lease sale. Based on the CFNI, the director determines whether substantial new information has become available that justifies a supplement to the final best interest finding. The following tables show the decision history for the North Slope, North Slope Foothills, and Beaufort Sea areawide final best interest findings:

North Slope Foothills Areawide Oil and Gas Lease Sale Decision Documents	
<i>Date</i>	<i>Decision Document</i>
May 26, 2011	Final Finding of the Director
July 13, 2012	Decision of No Substantial New Information
July 1, 2013	Decision of No Substantial New Information
June 26, 2014	Decision of No Substantial New Information
June 12, 2015	Decision of No Substantial New Information
June 24, 2016	Decision of No Substantial New Information
June 15, 2017	Decision of No Substantial New Information
May 30, 2018	Decision of No Substantial New Information
May 23, 2019	Decision of No Substantial New Information

North Slope Areawide Oil and Gas Lease Sale Decision Documents	
<i>Date</i>	<i>Decision Document</i>
April 18, 2018	Final Finding of the Director
May 23, 2019	Decision of No Substantial New Information

Beaufort Sea Areawide Oil and Gas Lease Sale Decision Documents	
<i>Date</i>	<i>Decision Document</i>
July 12, 2019	Final Finding of the Director

On April 2, 2020, the DO&G issued a CFNI regarding the 2020 North Slope, North Slope Foothills, and Beaufort Sea areawide oil and gas lease sales. The CFNI requested interested parties to submit to the 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 May 4, 2020.

As stated in the CFNI, the DO&G generally considers substantial new information to include published research, studies, or data that are 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, the DO&G received one timely comment. The timely comment, and the director's response, are summarized below.

Responses to Timely Public Comments

Daniel K. Donkel

Comment Summary: Mr. Donkel's comment cited the Department of Revenue Spring 2020 Revenue forecast that was released on April 6, 2020. The cover letter of the forecast states that Alaska North Slope crude oil prices are going to remain below \$30 per barrel for the remainder of fiscal year 2020 and climb to \$53 per barrel by fiscal year 2029 as the supply and demand imbalance gradually relaxes over the next several years. Mr. Donkel requests that the state change the lease sales terms in response to this new information to be 12.5% royalty, 10-year primary terms, \$1-\$3 per acre annual rental rates, and minimum bids of \$1 per acre.

Director's Response: Mr. Donkel's comment relates to the state's processes for lease sales after disposal. The lease sale terms and conditions are outside the scope of the Best Interest Findings and this Call for New Information. Mr. Donkel's suggestions will be forwarded to the DNR commissioner and the Division director for consideration when setting terms and conditions for lease sales in accordance with AS 38.05.180(f).

Decision

The director finds that no substantial new information was received in response to the CFNI to justify a supplement to the North Slope Areawide Final Best Interest Finding, the North Slope Foothills Areawide Final Best Interest Finding, or the Beaufort Sea Areawide Final Best Interest Finding.

An eligible person affected by this decision may appeal 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 include the appropriate fee. An appeal 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.

An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. If the commissioner does not act on an appeal within 30 days after issuance of this decision, the appeal is considered denied and this decision becomes a final administrative order and decision on the 31st day after issuance for the purposes of an appeal to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

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Tom Stokes
Director, Division of Oil and Gas