



September 26, 2022
Decision of No Substantial New Information
2022 and 2023 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 determines that substantial new information has become available, the final best interest finding is supplemented with new information. The following table shows the decision history for the Cook Inlet areawide final best interest finding:

Cook Inlet Areawide Oil and Gas Lease Sale Decision Documents	
<i>Date</i>	<i>Decision</i>
November 2, 2018	Final Finding of the Director
December 17, 2019	Decision of Substantial New Information and Supplemental Finding of the Director
November 19, 2020	Decision of No Substantial New Information
November 30, 2021	Decision of No Substantial New Information

On August 24, 2022, DO&G issued a CFNI regarding the proposed winter 2022 and spring 2023 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 September 23, 2022. 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) 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 two timely comments. 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.

Bureau of Ocean Energy Management (BOEM)

Comment Summary: BOEM submitted a comment stating that they have recently published a new study on hydrocarbon seeps called "Hydrocarbon Seeps in the Lower Cook Inlet, Gulf of Alaska, Chukchi Sea and Beaufort Sea OCS Planning Areas" OCS Study BOEM 2022-057. A total of 122 seeps were investigated in the COK Planning Area from scientific literature, BOEM documents and various data sources. The study interpreted oil and gas seeps are distributed onshore and in shallow bays. This study has pulled together a database of known seafloor cold seeps in four areas of interest around Alaska, including in Cook Inlet. The study is not exhaustive in the sense that we have not used all established methods for locating cold seeps and we have not examined archived data.

Director's Response: DO&G considered and discussed the information provided by BOEM and evaluated the data regarding the natural hydrocarbon seeps that are present in Cook Inlet within the Lease Sale Area. This new report does not provide substantial information that justifies a supplement to the most recent best interest finding. This information will be retained and reviewed when DO&G begins drafting a new best interest finding.

Alaska Department of Fish and Game (ADF&G)

Comment Summary: ADF&G suggested incorporating new information regarding the expanded spawning distribution of Pacific herring in Kamishak Bay on the west side of Cook Inlet. ADF&G state that the expanded distribution suggests that the Kamishak herring stock is recovering from a lengthy period of low abundance. However, the biomass threshold for opening the fishery has not been met, and that future stock assessments will be needed before the commercial fishery is reopened. This new information remains unpublished at this time.

Director's Response: DO&G considered and discussed the Pacific herring fishery in Cook Inlet within the Lease Sale Area in the Final Written Finding of the Director. This new unpublished information does not provide substantial information that justifies a supplement to the most recent best interest finding. This information will be retained and reviewed when DO&G begins drafting a new best interest finding.

Comment Summary: ADF&G suggested that DO&G replace a number of references from the original Final Written Finding of the Director and provided a list of more recently released reports in the comment.

Director's Response: DO&G will retain this list of new references and consult with ADF&G and other state and federal agencies for the most contemporary publicly available information when DO&G begins drafting a new best interest finding for the Cook Inlet Areawide Lease Sales. ADF&G did not indicate that the updated references include substantial new information. The existing references used in the existing Final Written Finding of the Director reflect the sources used when writing that finding and should be retained.

Decision

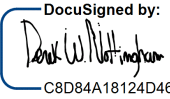
The director finds that no substantial new information was received in response to the CFNI that would justify a supplement to the 2018 Cook Inlet Areawide Written Finding. The director has considered the comments submitted in response to the CFNI for the 2022 and 2023 Cook Inlet areawide lease sales and finds that the comments provide information on the natural environment of Cook Inlet, but, that a supplement to the 2018 Cook Inlet Areawide Written Finding is not required. The information received will be retained and considered when DO&G begins drafting new 10-year findings for 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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Derek W. Nottingham

Director, Division of Oil and Gas