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Decision of Substantial New Information Alaska Peninsula and Cook Inlet Areawide Lease Sales, 2011

Under 38.05.035(e), a written finding that the interests of the state will be best served is required before the director of the Alaska Department of Natural Resources (ADNR), Division of Oil and Gas (DO&G) may hold an oil and gas lease sale. A final written finding for Alaska Peninsula Areawide oil and gas lease sales for 2005-2014 (Alaska Peninsula Final Finding) was issued on July 25, 2005, and a final written finding for Cook Inlet Areawide oil and gas lease sales for 2009-2018 (Cook Inlet Final Finding) was issued on January 20, 2009.

Oil and gas lease sales have been held for the Alaska Peninsula Areawide and Cook Inlet Areawide annually since 2005 and 2009, respectively. Under AS 38.05.035(e)(6)(F), a written finding is not required for an oil and gas lease sale of acreage subject to a best interest finding issued within the previous 10 years unless the Commissioner determines that substantial new information has become available that justifies a supplement to the most recent best interest finding. Calls for New Information have been issued each year since the best interest findings were issued. Supplements to the Alaska Peninsula Final Finding were issued on November 21, 2007 and February 4, 2010; a supplement to the Cook Inlet Final Finding was issued on February 4, 2010.

On November 18, 2010, DO&G issued a Call for New Information regarding its proposal to offer all available state acreage in the Alaska Peninsula Areawide and Cook Inlet Areawide 2011 oil and gas lease sales. The purpose of the call was to provide an opportunity for interested parties to submit to DO&G any substantial new information that had become available since issuance of the most recent best interest findings for those areas. The public comment period ended on December 20, 2010.

In response to the Call for New Information, DO&G received comments from the following: ADNR Division of Mining, Land and Water (DMLW), Alaska Department of Fish & Game (ADF&G), Alaska Department of Environmental Conservation (ADEC), City of Seward, Defenders of Wildlife, Ms. Becky Long, and Mr. Verner Wilson III. These comments are summarized below, along with the Commissioner's response to each.

Based on comments and information received in response to the Call for New Information, the Commissioner of ADNR finds that there is substantial new information that justifies supplements to the most recent best interest findings for the Alaska Peninsula Areawide and Cook Inlet Areawide lease sales. The supplement (Attachment B) provides the currently available information about the Deepwater Horizon incident and the Alaska Risk Assessment Project reports and a new lessee advisory addressing that information.

Alaska Department of Natural Resources, Division of Mining, Land and Water

Comment Summary: The Division of Mining, Land and Water (DMLW) stated that there is new information regarding current and projected uses of the lease sale areas. DMLW stated that recent ADNR planning efforts may change uses of surface resources. DMLW stated that lands may be developed and offered for private ownership in some areas, that it may offer new subdivisions, and that it may offer or re-offer staking areas. DMLW stated that conflicts between surface uses and subsurface uses are likely to

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increase. It stated that mitigating impacts to reserved access routes will reduce impacts to surface uses. Area plans relevant to the Alaska Peninsula and Cook Inlet lease sales areas are the Susitna Area Plan (1985), the Kenai Area Plan (2000), the Bristol Bay Area Plan (2005), and the Southeast Susitna Area Plan (2008). A draft Susitna Matanuska Area Plan has been released but has not yet been finalized.

DMLW recommended that information about ADNR area plans for the Alaska Peninsula and Cook Inlet areas be provided in supplements. It provided a list of access routes that it recommended be identified and listed in mitigation measures, and it recommended that mitigation measures state that lessees may not block access routes except as needed during construction.

Commissioner's Response: In the introduction to the mitigation measures, both the Alaska Peninsula Final Finding and the Cook Inlet Final Findings state that "lessees must comply with all applicable...current or future ADNR area plans...". In addition, both lease sale areas have mitigation measures that address potential surface use conflicts and access. These include Mitigation Measures 1, 2, 17, 18, and 30 for Alaska Peninsula lease sales, and Mitigation Measures A(1)(a), A(1)(b), A(3)(a), and A(5)(a) for Cook Inlet lease sales.

Therefore, because lessees must comply with ADNR area plans whether or not they are described in the best interest finding, because potential surface conflicts are sufficiently addressed with existing mitigation measures in the final findings, and because the area plans relevant to the Alaska Peninsula and Cook Inlet lease sales have been available for several years, this comment does not constitute substantial new information that justifies supplements to the most recent best interest findings.

Alaska Department of Fish and Game

Comment 1: Legislatively Designated Areas

Comment Summary: ADF&G stated that there are legislatively designated special areas in the Alaska Peninsula and Cook Inlet lease sale areas, including state game refuges and critical habitat areas. It stated that projects that result from the lease sales would be assessed individually to ensure that fish, wildlife, and their habitats are properly protected. ADF&G recommended that lease documents and maps indicate that activities within these legislatively designated areas require a Special Permit from ADF&G, Habitat Division. ADF&G also recommended that lease documents and maps show the locations and boundaries of the special areas.

Commissioner's Response: Legislatively designated areas of the Alaska Peninsula are provided in the Alaska Peninsula Final Finding in Chapter Four, Section F(3). Figures 3.4, 3.5, 3.6, and 4.7 provide maps of the critical habitat areas of the Alaska Peninsula. The Cook Inlet Final Finding discusses legislatively designated areas in Chapter Four, Section A(4), and Chapter Five, Section A. Figure 4.1 shows boundaries of 22 different state and federal parks, critical habitat areas, forests, state game refuges, and special management areas.

State critical habitat areas are generally shown on lease sale maps that are provided online. However, there are many other land status details that must be shown on the maps as well, including sale tracts, state acreage available for lease and currently leased, deferred state acreage, federal lands, Native lands, Alaska Mental Health Trust lands, University of Alaska lands, military lands, private lands, tracts with no surface entry, and state multiple use areas. It is not possible to show every land status detail for every tract on the lease sale notices.

In addition, sale announcements usually state, "The tract map shows generalized land ownership, existing leases, and pending leases. The land status is for informational purposes only. The tract map does not show detailed leased areas or detailed land ownership. Bidders should independently verify state title to acreage within these tracts prior to bidding." Lessee Advisories B(3)(d) and B(3)(e)(i)-(viii) for the Cook Inlet lease sale area, and Lessee Advisories 11(a)-(g) for the Alaska Peninsula lease sale area, clearly state that for activities occurring within a refuge or critical habitat area, the lessee will be required to obtain permits from

both ADNR and ADF&G. Further stipulations specific to particular critical habitat areas are also included. These lessee advisories are attached to leases.

Therefore, because state game refuges and critical habitat areas are considered and discussed in the Alaska Peninsula Final Finding and Cook Inlet Final Finding; because lease sale announcements and accompanying maps address legislatively designated areas to the extent practicable; and because lessee advisories specific to legislatively designated areas are attached to leases, this comment does not constitute substantial new information that justifies a supplement to the most recent best interest findings.

Comment 2: Anadromous Waters Catalog

Comment Summary: ADF&G provided a reference to the most recent revision of the anadromous waters catalog (Johnson and Blanche 2010). ADF&G provided a table detailing additions and modifications to the Anadromous Waters Catalog for the Cook Inlet lease sale area, and stated that the Pacific lamprey and rainbow smelt occur in the Naknek River in the Alaska Peninsula lease sale area.

Commissioner's Response: AS 16.05.871 requires ADF&G to specify the rivers, lakes, and streams that are important for spawning, rearing, or migration of anadromous fishes. This information, generally updated annually, is provided in the anadromous waters catalog published most recently in Johnson and Blanche 2010. State statutes also require that a Fish Habitat Permit be obtained from ADF&G prior to beginning projects or activities that take place in these specified water bodies.

Chapter Three, Section B(1)(a) of the Alaska Peninsula Final Finding, and Chapter Four, Section A(2) and Table 4.1 of the Cook Inlet Final Finding, provide information on anadromous waters protected under AS 16.05.871. Lessee Advisory 1 for Alaska Peninsula lease sales, and Lessee Advisory B(3)(a) for Cook Inlet lease sales, inform lessees that specific measures may be imposed by ADF&G to protect designated anadromous water bodies, and direct lessees to ADF&G for specific information on the location of those waters¹.

Although the update to the Anadromous Waters Catalog is new information, existing lessee advisories inform lessees that they must consult with and obtain Fish Habitat Permits from ADF&G, and that ADF&G should be consulted for the most current list of anadromous waters. Therefore, this comment does not provide substantial information, and therefore does not justify a supplement to the most recent best interest finding. However, this information will be reviewed during the process of developing the next new best interest findings for the Alaska Peninsula Areawide and Cook Inlet Areawide lease sales.

Comment 3: Updated Information on Subsistence, Commercial, and Sport Fishing

Comment Summary: ADF&G provided references to reports relevant to the Alaska Peninsula that give new or updated information about species of fish harvested in subsistence fisheries and demographics of subsistence users (Fall et al. 2009); genetic composition, escapement goals, and summaries for commercial fisheries (Morstad et al. 2010; Baker et al. 2009; Morstad and Baker 2009; Salomone 2009; Sands 2009; Dann et al. 2009); and harvest information for sport fisheries (Dye and Schwanke 2009). ADF&G stated that the Kvichak sockeye salmon stock has been listed as a "Stock of Yield Concern", which is defined as "a concern arising from a chronic inability, despite use of specific management measures, to maintain expected yields".

Commissioner's Response: Chapter Three, Section B(1)(a) of the Alaska Peninsula Final Finding provides information about salmon and other anadromous fishes occurring in the Alaska Peninsula lease sale area. Chapter Four, Section C considers and discusses subsistence uses in the area, including tables of harvest

¹ The Alaska Peninsula Final Finding indicates that the Office of Habitat Management and Permitting (OHMP) of ADNR has authority for anadromous waters and Fish Habitat Permits. Effective July 1, 2008, this authority was transferred to ADF&G, Division of Habitat as a result of Executive Order 114.

statistics. Sections D(1) and E(2) of the final finding consider and discuss commercial and sport fishing in the area, also including tables of harvest statistics.

Although the information provided in the reports submitted by ADF&G is new, the importance of salmon and other anadromous fishes to subsistence, commercial, and sport fisheries was considered and discussed in the Alaska Peninsula final finding and these new reports would not substantially change that consideration and discussion. In addition, current mitigation measures for the Alaska Peninsula lease sale area provide sufficient protection for salmon and other fish stocks, their habitats, and their uses. Therefore, although the information provided by ADF&G is new, it is not substantial information that justifies a supplement to the most recent best interest finding. However, this information will be reviewed again during the process of developing the next new best interest finding for the Alaska Peninsula lease sale area.

Comment 4: New Mitigation Measure and Lessee Advisory for Alaska Peninsula Lease Sales

Comment Summary: ADF&G requested that a new mitigation measure be added for Alaska Peninsula lease sales. The measure would state that the Cape Seniavin walrus haulout is being considered by ADF&G for designation as a state game sanctuary, although the boundaries have not yet been established.

ADF&G also requested a new lessee advisory that would state that ADF&G is considering revisions to the land management goals and policies of the Alaska Peninsula state critical habitat areas. ADF&G stated that although no new regulations have been adopted yet, development of oil and gas facilities and infrastructure within the critical habitat areas could be affected. ADF&G also stated that the revision process is ongoing and that it anticipates revised goals and policies will be included in the next annual Call for New Information.

Commissioner's Response: The proposal for a state game refuge and a management plan for the Alaska Peninsula critical habitat areas have not yet been finalized and approved and are subject to change until they are. If they are finalized and approved, mitigation measures or lessee advisories may be considered for the Alaska Peninsula lease sales. However, at this time, these proposals do not constitute substantial new information that justifies a supplement to the most recent best interest finding.

Alaska Department of Environmental Conservation

Comment Summary: The Alaska Department of Environmental Conservation (ADEC) submitted as new information a report of NO₂ and CO data collected by Union Oil Company of California for the Cook Inlet Ambient Air and Meteorological Monitoring Program.

Commissioner's Response: The report submitted by ADEC documents data collected for the Cook Inlet Ambient Air and Meteorological Monitoring Program at the Trading Bay and Swanson River offshore platforms in Cook Inlet from May 1, 2008 – April 30, 2009 (Enviroplan Consulting 2009). The purpose of the program is to establish local baseline conditions, information which could be used to support future air permit applications for these facilities. The report finds that the NO₂ and CO at the two sites met the EPA's requirements under the Prevention of Significant Deterioration program, as well as ADEC's state requirements. The report was submitted to ADEC in September 2009. Air quality and potential effects on air quality were considered and discussed in Chapter Eight, Section C(1) of the Cook Inlet Final Finding.

Therefore, because air quality was considered and discussed in the Cook Inlet Final Finding, and because this report has been available since September 2009, it does not constitute substantial new information that justifies a supplement to the most recent best interest finding. However, this report, as well as other similar reports that may become available, may be included the next time an areawide best interest finding is written for Cook Inlet.

City of Seward

Comment Summary: The City of Seward stated that its comments were a result of discussions at its November 22, 2010 council meeting. It stated that the City of Seward fully supports offering all available

state acreage in 2011 Alaska Peninsula and Cook Inlet areawide oil and gas lease sales, and that it anticipates positive fiscal effects from the oil and gas lease sales and subsequent development.

Commissioner's Response: Support noted. This comment does not constitute substantial new information that justifies supplements to the most recent best interest findings.

Defenders of Wildlife

Comment 1: Information from the Deepwater Horizon Incident

Comment Summary: Defenders of Wildlife stated that there is new information available from the Deepwater Horizon incident that is applicable to oil and gas leasing on the Alaska Peninsula and in Cook Inlet and that this information should be considered and taken into account. It stated that a supplement must address new information about protections for workers, regional economic integrity, and living marine resources. It stated that the new information is applicable to foreseeable effects and is likely to influence lease stipulations and mitigation measures.

Defenders of Wildlife submitted five draft staff working papers from the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling; a letter from the Deepwater Study Group of the University of California, Berkeley to the Commission about its preliminary technical and managerial conclusions; and a Gulf Coast recovery plan developed by the Gulf Coast Ecosystem Restoration Task Force.

Commissioner's Response: The Deepwater Horizon was a semi-submersible drilling unit (Transocean 2010a) operating on Mississippi Canyon Block 252 (MC252) (BP 2010a) in federal Outer Continental Shelf (OCS) waters located in the United States Gulf of Mexico, about 41 miles offshore of Louisiana (Transocean 2010c; Transocean 2010b; Transocean 2010e). BP Exploration & Production, Inc. was the lease operator (Transocean 2010e).

According to official reports, on April 20, 2010, approximately 10:00 p.m. Central Time, a fire and explosion were reported on the Deepwater Horizon (Transocean 2010b; Transocean 2010e). The rig sank on April 22, 2010 (Transocean 2010e), coming to rest on the sea floor in about 5,000 feet of water, about 1,500 feet from the well center and away from subsea pipelines (Transocean 2010d). At the time of the incident, 126 crew members were onboard; 115 were evacuated and 11 died (Transocean 2010b; Transocean 2010e).

Before the rig sank, the response team was not able to stop the flow of oil and gas (Transocean 2010e), the blowout preventer failed (BP 2010c), and a large release of hydrocarbons into the water occurred. Various well control efforts were attempted, including drilling of relief wells (BP 2010b). The well was shut-in on July 15, 2010, a relief well successfully intercepted the annulus of the MC252 well on September 15, 2010, and cement was successfully pumped into the annulus on September 17, 2010 (BP 2010a).

The U.S. Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE; formerly Minerals Management Service, or MMS) and the U.S. Coast Guard (USCG) have Congressionally-delegated jurisdiction over the Deepwater Horizon incident, and have a joint, ongoing investigation into the incident (USCG and MMS 2010a). The investigation is tasked with identifying the factors leading to the incident, and developing conclusions and recommendations regarding the incident (USCG and MMS 2010a). So far, the joint investigation has conducted six hearings on the incident (USCG and MMS 2010b).

On May 11-12, 2010, the circumstances surrounding the fire, explosion, pollution and sinking of the Deepwater Horizon were investigated. On May 26-29, 2010, the focus was on gathering information on the rig's materiel condition, crew qualifications, emergency preparedness, and casualty timeline. On July 19-23, 2010, the focus was on the technical verification phase. On August 23-27, 2010, the hearings dealt with the recovery, analysis, and evaluation of the critical drilling equipment. The fifth hearing was held on October 4-8, 2010, and a sixth session of hearings took place December 7-9, 2010 (USCG and MMS 2010b).

Analysis and conclusions are not being presented during the hearings (USCG and BOEMRE 2010b). Evidence, facts, conclusions, and recommendations of the investigation team must be approved by both the

USCG and BOEMRE, after which a final investigative report will be made available to the public (USCG and MMS 2010a). A final report is scheduled to be released by March 27, 2011, an extension of the original deadline which was January 27, 2011 (USCG and BOEMRE 2010a).

The National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling (also called the Oil Spill Commission, or OSC) was established by presidential executive order on May 21, 2010. The objective of the OSC is to (DOE 2010):

...examine the relevant facts and circumstances concerning the root causes of the Deepwater Horizon explosion, fire and oil spill and develop options to guard against, and mitigate the impact of, any oil spills associated with offshore drilling in the future. In developing options, the Commission shall take into consideration the environmental, public health, and economic effects of such options, including those options that involve: improvements to Federal laws, regulations, and industry practices applicable to offshore drilling that would ensure effective oversight, monitoring, and response capabilities; protecting public health and safety, occupational health and safety, and the environment and natural resources; addressing affected communities; and organizational or other reforms of Federal agencies or processes necessary to ensure such improvements are implemented and maintained.

Key areas of OSC inquiry include: the Macondo well explosion and drilling safety; the role of offshore oil drilling in domestic energy policy; regulatory oversight of offshore drilling; oil spill response; spill impacts and assessment; and restoration approaches and options (OSC 2010a). The OSC has published a number of draft staff working papers, five of which were submitted by Defenders of Wildlife as new information and are summarized below. Draft staff working papers of the OSC state that they:

...are written by the staff of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling for the use of members of the Commission. They are preliminary, subject to change, and do not necessarily reflect the views either of the Commission as a whole or of any of its members. In addition, they may be based in part on confidential interviews with government and non-government personnel.

Draft Staff Working Paper No. 3 (OSC 2010b) addresses the amount and behavior of oil released during the Deepwater Horizon incident. It discusses some of the challenges the USCG and MMS faced in estimating and reporting the amount of oil that was being released during the incident. It provides suggestions for the OSC's consideration, including that federal agencies dedicate appropriate scientific expertise to estimating spill volume and disclose methods for estimating spill volume; that the USCG practice of scaling operations to credible worst-case scenarios be continued; that methodologies used during the incident to estimate flow rate be adopted as best practices; and that methodologies used to estimate flow rate and fate of released oil be disclosed.

Draft Staff Working Paper No. 4 (OSC 2010f) addresses the use of dispersants during the incident and the controversy their use created. It recommends further research into the use of dispersants and possible long-term environmental effects. It also recommends contingency planning for use of dispersants during an oil spill that would take into account the type of spill, temporal duration, spatial reach, and volume.

Draft Staff Working Paper No. 5 (OSC 2010c) addresses challenges of oil spill response in the Arctic. It provides background information about exploration and leasing in the Beaufort Sea and Chukchi Sea. It discusses BOEMRE and Alaska regulations and Shell's contingency plan. The paper also discusses some challenges with responding to an oil spill in Arctic waters. Several topics are suggested for further inquiry by the OSC. These include regulatory standards to which C-plans are keyed; agencies involved in developing C-plans; USGC capacity for responding to a spill; and the role of local communities.

Draft Staff Working Paper No. 6 (OSC 2010e) provides an overview of BP's efforts to contain and kill the Macondo well. The paper also includes several possible issues for OSC consideration. These include review

of source control plans, government expertise in petroleum engineering, diagnostic tools on blowout preventer (BOP) stacks, and bonding and insurance requirements.

Draft Staff Working Paper No. 7 (OSC 2010d) addresses response and clean-up technology research and development as related to the Deepwater Horizon incident. The paper provides information on research and development efforts of several major oil industry companies, oil spill response organizations, and the government. Regulations and market forces that influence research and development are discussed, along with several suggestions for research incentives.

The OSC released its final report to the president on January 11, 2011 (OSC 2011). The report presents the history of offshore oil and gas development in the United States, discusses current regulatory oversight and corporate culture regarding human safety and risk management, and examines the causes and consequences associated with the Deepwater Horizon incident.

The report includes the following conclusions (OSC 2011):

- The explosive loss of the Macondo well could have been prevented.
- The immediate causes of the Macondo well blowout can be traced to a series of identifiable mistakes made by BP, Halliburton, and Transocean that reveal such systematic failures in risk management that they place in doubt the safety culture of the entire industry.
- Deepwater energy exploration and production, particularly at the frontiers of experience, involve risks for which neither industry nor government has been adequately prepared, but for which they can and must be prepared in the future.
- To assure human safety and environmental protection, regulatory oversight of leasing, energy exploration, and production require reforms even beyond those significant reforms already initiated since the Deepwater Horizon disaster. Fundamental reform will be needed in both the structure of those in charge of regulatory oversight and their internal decisionmaking process to ensure their political autonomy, technical expertise, and their full consideration of environmental protection concerns.
- Because regulatory oversight alone will not be sufficient to ensure adequate safety, the oil and gas industry will need to take its own, unilateral steps to increase dramatically safety throughout the industry, including self-policing mechanisms that supplement governmental enforcement.
- The technology, laws and regulations, and practices for containing, responding to, and cleaning up spills lag behind the real risks associated with deepwater drilling into large, high-pressure reservoirs of oil and gas located far offshore and thousands of feet below the ocean's surface. Government must close the existing gap and industry must support rather than resist that effort.
- Scientific understanding of environmental conditions in sensitive environments in deep Gulf waters, along the region's coastal habitats, and in areas proposed for more drilling, such as the Arctic, is inadequate. The same is true of the human and natural impacts of oil spills.

The report includes 31 specific recommendations divided into the following seven categories (OSC 2011):

- A) Improving the safety of offshore operations;
- B) Safeguarding the environment;
- C) Strengthening oil spill response, planning and capacity;
- D) Advancing well-containment capabilities;
- E) Overcoming the impacts of the Deepwater Horizon spill and restoring the Gulf;
- F) Ensuring financial responsibility; and,

G) Promoting congressional engagement to ensure responsible offshore drilling.

Most of the report and recommendations are specific to the Deepwater Horizon incident, federal government oversight (namely the former MMS), and Congress. However, many discussions in the report regarding industry and government not keeping pace with the rapid changes in technology and the general structure of the oil and gas industry have some applicability to oil and gas operations in Alaska and State of Alaska oversight.

Defenders of Wildlife submitted two other items related to the Deepwater Horizon incident as new information. The Deepwater Study Group (CCRM 2010) letter concurs with the OSC's technical findings and concurs that conclusions related to the role of the BOP should await further equipment testing. The letter states that the incident was caused in part because of a failure to follow best practices for well construction, well control, and secondary emergency systems. The letter presents several recommendations to the OSC for reforms addressing issues such as regulatory roles and functions, the National Environmental Policy Act and worst-case scenarios, worker safety and health, safety and environmental management systems, industry-wide emergency response capability, and an industry-funded insurance pool to cover accidents.

Finally, America's Gulf Coast: A Long Term Recovery Plan after the Deepwater Horizon Oil Spill (Mabus 2010) addresses the long-term environmental, economic, and societal impacts of the Deepwater Horizon incident, with the purpose of connecting local plans and development priorities with state and federal assistance. The plan includes a proposal to Congress to dedicate Clean Water Act civil penalties to the Gulf Coast, and recommendations for long-term ecosystem restoration, health and human services recovery, economic recovery, and nonprofit sector recovery.

Current drilling requirements in Alaska are an important consideration in deciding whether or not the Deepwater Horizon incident constitutes substantial new information that justifies a supplement to the most recent best interest finding. Drilling a well in Alaska requires a permit from the Alaska Oil and Gas Conservation Commission (AOGCC) under 20 AAC 25.005. The AOGCC has a codified, technically comprehensive well permitting process and a rigorous, interactive well operations inspection program (Seamount et al. 2010). The AOGCC's staff geologists and engineers thoroughly review all technical aspects of the well and rock formations that may be encountered during drilling, and ensure that drilling fluids, well construction, and oil field practices are appropriate and safe. Inspections are performed before rigs are brought into service, after drilling is finished and wells are ready to produce, and regularly thereafter on safety valve systems. Blowout preventers and other safety equipment are tested every 14 days, or every seven days for exploratory wells (Seamount et al. 2010).

Another important consideration is that a lease only gives the lessee the right to conduct activities such as exploration, development, and production, but the lease does not authorize these activities. A plan of operations or a unit plan of operations must be approved before any operations may be undertaken on or in the lease area. In addition, all oil and gas activities are subject to other numerous federal, state, and local laws, regulations, policies, and ordinances with which the lessee is obligated to comply. An overview of some of these is found in Chapter One, Section C of the Alaska Peninsula Final Finding and Chapter Seven of the Cook Inlet Final Finding.

In addition, it is also important to note that all information is not yet available concerning the Deepwater Horizon incident. In fact, the investigation by the federal agencies that have Congressionally-delegated joint jurisdiction over the incident, the USCG and BOEMRE, have not completed their investigation yet, and their final report and recommendations are not scheduled to be released until March 27, 2011.

Further, the State of Alaska has an ongoing inquiry concerning information that is becoming available from the Deepwater Horizon incident. On June 24, 2010, the AOGCC began accepting comments on an inquiry into whether changes or additions are needed to AOGCC regulations governing drilling, rig workover, and well control in offshore and ultra-extended reach wells in areas of Alaska under AOGCC jurisdiction (AOGCC 2010). The AOGCC will review its offshore and ultra-extended reach drilling operations

regulations to ensure sufficient safeguards are in place to prevent well control loss or facilitate immediate reestablishment of well control (AOGCC 2010). A date for completion of the inquiry has not been set yet.

Finding of Substantial New Information: Therefore, because of the magnitude of the Deepwater Horizon incident, the Commissioner finds that the Deepwater Horizon incident constitutes substantial new information that justifies supplements to the most recent best interest findings. The supplements (see Attachment B) provide the currently available information about the Deepwater Horizon incident.

The Commissioner also finds that because the USCG and BOEMRE investigation and AOGCC inquiry are ongoing, it is not appropriate to modify, add, or delete mitigation measures from the final findings at this time. However, when also taking into account information and recommendations from the ARA reports (see Comment 2, below), the Commissioner finds that it is very likely that additional mitigation measures or other statutory or regulatory requirements will be implemented within the next year, and therefore, the following lessee advisory will be added to the Alaska Peninsula Final Finding and Cook Inlet Final Finding through supplements (see Attachment B):

The State of Alaska is in the process of reviewing and evaluating information from the Deepwater Horizon investigations and the Alaska Risk Assessment reports, and is determining which of the information and recommendations are applicable to Alaska, which recommendations to implement, and the next steps for implementing them. As this process develops, new or modified mitigation measures, lessee advisories, or other statutory or regulatory requirements addressing issues such as safety, environmental safeguards, risk management, and reporting standards may be forthcoming.

Comment 2: Information in the Alaska Risk Assessment Reports

Comment Summary: Defenders of Wildlife submitted as new information reports from an Alaska Department of Environmental Conservation (ADEC) project about risk assessment of oil and gas infrastructure in Alaska.

Commissioner's Response: The Alaska Risk Assessment (ARA) Project of oil and gas infrastructure was initiated in 2007 "to provide a baseline risk assessment of the oil and gas infrastructure in Alaska. The purpose of the ARA Project was to conduct a system-wide risk assessment that evaluates the safety, environmental, and operational risks associated with the system and to assess the reliability of the existing infrastructure to operate for another generation" (ADEC 2010b). Initially, the ARA Project was to be conducted in three phases: Phase 1 would focus on designing a methodology for the risk assessment; Phase 2 would implement the methodology; and Phase 3 would analyze the data and report on the results. The ADEC 2010b report (or Phase 1 Report) documents the initiation, public comment, and review of the original project.

After review of the proposed methodology by the public, state and federal agencies, industry, and the National Academy of Sciences, the scope of the ARA Project was narrowed significantly and reconfigured to the North Slope Spills Analysis (NSSA) (ADEC 2010a). The purpose of the NSSA is to compile and analyze causal information associated with specific North Slope pipelines and provide recommendations on mitigation measures to reduce future spills (ADEC 2010a). Results from this study have been published (NSSA Report), including seven specific recommendations for reducing the risk of future loss-of-integrity spills from North Slope infrastructure (Robertson et al. 2010).

A third report (Oversight Report) was produced as a result of the ARA Project, with the purpose of providing the State of Alaska with practical recommendations for future oversight activities for oil transportation (Cycla Corporation 2010). The report provides an overview of risk management and oversight systems used by other jurisdictions, and provides recommendations designed to enhance risk management practices of ADEC and to strengthen risk management practice across Alaska oversight agencies (Cycla Corporation 2010). Key findings from this report are that the primary job of regulators is to require practices that reinforce the operators' responsibility to ensure safe operation of their facilities; the State should not undertake a risk assessment without significant cooperation from the operators; the existing system should be

refined rather than implementing radical changes; and operator reporting should be expanded to improve the understanding of the effectiveness of management systems (Cycla Corporation 2010). Specific recommendations were divided into two categories: recommended future Alaska oversight agency risk management activities, and recommended ADEC activities (Cycla Corporation 2010).

The State of Alaska is in the process of reviewing the reports, determining which of the recommendations to implement, and the next steps for implementing them. Not all recommendations in the reports are within the jurisdiction of DO&G, and many of the recommendations are outside the scope of mitigation measures for state oil and gas leases.

However, although review of the reports is ongoing, some of the recommendations are both within the jurisdiction of DO&G and within the scope of lease mitigation measures. For the NSSA Report, although it focuses on pipelines regulated by ADEC on the North Slope, the recommendations from the expert panel have some applicability to all agencies that provide oversight of the oil and gas industry in Alaska. Broadly, the recommendations suggest that the state engage industry more proactively by requiring industry to provide information on how systems integrity is being managed, reviewing that information for understanding and completeness, collecting appropriate data that can be used to determine root cause, and increasing enforcement.

Overall, the Oversight Report suggests that it is the primary responsibility of regulators to encourage industry to act responsibly by establishing appropriate regulation and to knowledgeably oversee the implementation of those regulations. The report suggests that this can be accomplished by requiring more information from industry on their management systems in general and risk management specifically. This information can then be used to provide oversight agencies with information regarding how an operator is maintaining safe operating conditions.

Specific recommendations from the two reports that may be applicable to mitigation measures for state oil and gas leases are: move to an integrated Integrity Management Program that focuses on leading indicators (Robertson et al. 2010); conduct regular and ongoing proactive risk analyses to maintain systems at a prescribed level of safety, and share information from risk analyses among operators and with regulators (Robertson et al. 2010); strengthen regulatory oversight by evolution not revolution (Cycla Corporation 2010); and require operator strategic management process (Cycla Corporation 2010).

Finding of Substantial New Information: Therefore, because the ARA reports are specific to the oil and gas industry in Alaska, are specific to oil and gas infrastructure under State of Alaska jurisdiction, and were published in November 2010, the Commissioner finds that the reports constitute substantial new information that justifies supplements to the most recent best interest findings.

The Commissioner also finds that because many of the recommendations are specific to ADEC, would require additional regulatory authority from the legislature, or are still being reviewed by the State, it is not appropriate to modify, add, or delete mitigation measures from the final findings at this time. However, when also taking into account information and recommendations from the OSC report (see Comment 1, above), the Commissioner finds that it is very likely that additional mitigation measures or other statutory or regulatory requirements will be implemented within the next year, and therefore, the following lessee advisory will be added to the Alaska Peninsula Final Finding and Cook Inlet Final Finding through supplements (see Attachment B):

The State of Alaska is in the process of reviewing and evaluating information from the Deepwater Horizon investigations and the Alaska Risk Assessment reports, and is determining which of the information and recommendations are applicable to Alaska, which recommendations to implement, and the next steps for implementing them. As this process develops, new or modified mitigation measures, lessee advisories, or other statutory or regulatory requirements addressing issues such as safety, environmental safeguards, risk management, and reporting standards may be forthcoming.

Comment 3: Information about Cook Inlet Oil and Gas Pipelines

Comment Summary: Defenders of Wildlife submitted a study by Cook Inlet Keeper about oil and gas pipelines in the Cook Inlet watershed as new information.

Commissioner's Response: Cook Inlet Keeper is a non-profit organization that "combines advocacy, education and science toward its mission to protect Alaska's Cook Inlet watershed and the life it sustains". The study submitted by Defenders of Wildlife, published in 2002, analyzes the frequency, cause, and location of oil releases from pipelines in the Cook Inlet watershed from 1997-2001. The report also provides recommendations for state and federal agencies, industry, and public interest organizations.

This study was released in 2002 and has been available since then. In addition, in the Alaska Peninsula Final Finding (issued in 2005), pipelines were discussed in Chapter Six, Section B, and oil spill risk, prevention, and response were discussed in Section C. Oil and gas infrastructure in Cook Inlet was discussed in Chapter Six, Section D(2) of the Cook Inlet Final Finding (issued in 2009), pipelines were discussed in Sections E(1) and F(1)(b), and leak detection and oil spill response were discussed in Sections F(2)(b) and F(3). Therefore, because the Cook Inlet Keeper report has been available since 2002, and because pipelines were considered and discussed in the 2005 Alaska Peninsula Final Finding and 2009 Cook Inlet Final Finding, this report does not constitute substantial new information that justifies supplements to the most recent best interest findings.

Comment 4: Information from the Montara Blowout Inquiry in Australia

Comment Summary: Defenders of Wildlife submitted as new information a report from an inquiry into a blowout that occurred at the Montara wellhead platform in Australia.

Commissioner's Response: The Report of the Montara Commission of Inquiry (Borthwick 2010) was written in response to the August 21, 2009 blowout on the Montara wellhead platform located in the Timor Sea of Australia. An official government inquiry was established to determine the details of what happened, the causes of the blowout, and recommendations for preventing a similar incident in the future. The report details 100 findings about the blowout and makes 105 specific recommendations regarding well integrity framework and practices, well control barriers, barrier installation and removal, batch drilling, communications and logistics, professional standards and training, the regulatory regime for well integrity and safety, arresting blowouts, environmental response, and the operator's permit and license. The inquiry concluded that the company operating the platform "did not observe sensible oilfield practices", and that "[m]ajor shortcomings in the company's procedures were widespread and systemic, directly leading to the blowout".

The State of Alaska is closely monitoring information available from incidents such as the blowout on the Montara wellhead platform. As described in the Commissioner's response to Comment 1 above, an AOGCC inquiry is underway regarding whether changes or additions are needed to AOGCC regulations governing drilling, rig workover, and well control in offshore and ultra-extended reach wells in areas of Alaska under AOGCC jurisdiction (AOGCC 2010). Because the AOGCC inquiry is still underway, developing effective revisions to mitigation measures is not possible at this time. When the inquiry is completed, new or modified mitigation measures or lessee advisories may be issued. Therefore, because the inquiry is still underway, and because a lease only gives the lessee the right to conduct activities such as exploration, development, and production, but does not authorize these activities, the report on the Montara inquiry does not constitute substantial new information that justifies supplements to the most recent best interest findings.

Comment 5: Alaska Coastal Management Program

Comment Summary: Defenders of Wildlife stated that "any alteration in the status or operations of the Alaska Coastal Zone Management effort must also be taken into account in a supplemental best interest finding."

Commissioner's Response: The lease sales were evaluated for consistency with the Alaska Coastal Management Program (ACMP) when best interest findings were issued in 2009 for Cook Inlet Areawide lease sales and in 2005 for Alaska Peninsula Areawide lease sales. 11 AAC 110.820(c) states that:

A modification that is proposed to a project for which a final consistency determination has been issued is subject to a consistency review if the proposed modification may cause significant additional impacts to a coastal use or resource and (1) a new resource agency authorization subject to the consistency review process or a new federal authorization under 11 AAC 110.400 is required; or (2) a change to an existing resource agency or federal authorization is required.

Annual lease sales do not meet either of these criteria.

However, in phases subsequent to the lease sales, if specific projects or activities are proposed they must undergo an ACMP consistency review and must be consistent with the statewide standards of the ACMP and any coastal district plans in effect.

Therefore, because the Alaska Peninsula Areawide and Cook Inlet Areawide lease sales have been reviewed for consistency with the ACMP, this comment does not constitute substantial new information that justifies a supplement to the most recent best interest finding.

Comment 6: State Critical Habitat Areas in Bristol Bay

Comment Summary: Defenders of Wildlife stated that the Critical Habitat Areas (CHAs) of Bristol Bay should be protected, that current mitigation measures and buffers are inadequate and do not limit the size or density of development, and that a "precautionary approach and science-based analytical methodology should guide the process of protecting sensitive wildlife and other ecological assets". Defenders of Wildlife stated that there are "data gaps about fish and wildlife habitats, seasonal importance of habitats, sociological values associated with subsistence uses, commercial and sport fisheries, and the presence of prehistoric, historic, and archeological sites." It also stated that the Alaska Peninsula Final Finding does not address impacts to fish and wildlife and how they will be minimized. No specific new information about the Bristol Bay CHAs or about fish, wildlife, and habitats of the Alaska Peninsula lease sale area was submitted by Defenders of Wildlife.

Commissioner's Response: The purpose of State of Alaska CHAs is "to protect and preserve habitat areas especially crucial to the perpetuation of fish and wildlife, and to restrict all other uses not compatible with that primary purpose". Established in 1972, five state CHAs are located on the north side of the Alaska Peninsula within or partially within the Bristol Bay Areawide lease sale area: Egegik CHA, Pilot Point CHA, Cinder River CHA, Port Heiden CHA, and Port Moller CHA.

State CHAs found in Bristol Bay were included in the Alaska Peninsula Final Finding (page 1-20, page 4-37, and habitat maps in Chapter Three). Mitigation Measures 3 and 15, and Lessee Advisories 11(a)-(g) provide many protections specifically for the CHAs, including buffers along important rivers, seasonal restrictions on certain critical waterfowl habitat areas, restrictions on surface entry and permanent structures, seasonal restrictions, prohibitions on surface discharge, and restrictions on the disposal of drilling muds and cuttings. Mitigation Measures 31-33 specifically protect prehistoric, historic, and archaeological sites that may be found in the Alaska Peninsula lease sale area. The remaining mitigation measures and lessee advisories provide many additional protections for the fish, wildlife, and habitats of the Bristol Bay CHAs.

Chapter Three of the Alaska Peninsula Final Finding consists of 46 pages of information about the fish, wildlife, and habitats of the Alaska Peninsula area. This chapter considers and discusses at length the various habitats of the area including offshore marine habitats, estuaries, barrier islands, lagoons, tideflats, wetlands, rivers, streams, lakes, and uplands. Also considered and discussed are the many fish and wildlife populations of the area, including five species of salmon, several resident fish species such as rainbow trout and burbot, many species of marine fish and shellfish, many species of birds including waterfowl, shorebirds, and raptors, many species of land mammals including caribou, moose, bears, and furbearers, and many species of

marine mammals including whales, seals, walruses, and sea otters. The final finding provides detailed maps of ecoregions of the area, many maps showing habitat usage by various fish, wildlife, and bird populations, and many pages of tables listing species of fish, birds, and wildlife found in the area.

In addition, supplements to the Alaska Peninsula Final Finding were issued in 2007 and 2010. The 2007 supplement included substantial new information about northern sea otter, Steller's eider, Kittlitz's murrelet, many species listed as Birds of Conservation Concern by the U.S. Fish and Wildlife Service, emperor goose, other waterfowl, shorebirds, raptors, Pacific walrus, anadromous fish, terrestrial mammals, and subsistence uses. This new information resulted in changes to Mitigation Measure 15, and Lessee Advisories 4, 5, and 17. The 2010 supplement provided substantial new information about the designation of critical habitat within the lease sale area for northern sea otter under the federal Endangered Species Act.

Chapter Four of the 2005 Alaska Peninsula final finding considers and discusses at length uses of the area, including subsistence; commercial fishing for salmon, herring, and king crab; and sport hunting, trapping, and fishing. The importance of these uses for area residents is discussed as is their management, and many tables of harvest by species are provided. Chapter Five, Section D(5)(a) considers and discusses cultural and historic resources of the area.

Chapter Five consists of 18 pages of consideration and discussion of potential cumulative effects of possible activities subsequent to leasing. These include effects on water from drilling muds and produced water, effects on air quality, and effects on fish and wildlife populations, habitats, and their uses including subsistence. Chapter Five, Section D(5)(b) considers and discusses potential impacts to cultural and historic resources. A discussion of applicable mitigation measures and lessee advisories that address those potential effects is provided at the end of each section.

Therefore, because the Bristol Bay CHAs were included in the Alaska Peninsula Final Finding; because the CHAs are sufficiently protected by mitigation measures and lessee advisories stipulated in the Alaska Peninsula Final Finding; because the Final Finding considers and discusses fish and wildlife populations and their habitats and uses, and potential cumulative effects on those populations, habitats, and uses; and because Defenders of Wildlife did not submit any new information about the CHAs, fish and wildlife populations and habitats, their uses, and potential cumulative effects, this comment does not constitute substantial new information that justifies a supplement to the most recent best interest finding.

Comment 7: National Environmental Policy Act

Comment Summary: Defenders of Wildlife stated that mitigation measures for the Alaska Peninsula Areawide lease sales should be supplemented with a full National Environmental Policy Act process for all associated major federal actions significantly affecting the human environment under 42 USC 4332(C). It stated that this should be required for all development that requires any sort of federal permitting, and that either environmental impact statements (EIS) or environmental assessments should be prepared.

Commissioner's Response: State of Alaska oil and gas lease sales are not federal actions; rather they are state actions that fall under State of Alaska jurisdiction. The process for developing best interest findings for state oil and gas lease sales, the matters that are to be included in the findings, how those matters are to be considered, and the process for obtaining public input are mandated by state statutes. AS 38.05.035(e)(1)(A)-(B) describes the scope of administrative review; AS 38.05.035(e)(1)(C) allows for phased review; and AS 38.05.035(g) lists the matters that must be included in the finding. This process is described in Chapter One of the Alaska Peninsula Final Finding. The Alaska Peninsula Final Finding complies with all applicable state statutes and regulations.

In specifying the process for best interest findings, the legislative intent language for SB308 (Eighteenth Legislature) Section 1(7) (Ch. 38 SLA 1994) explicitly states that an EIS is not required:

Analyses comparable to those generally required by 42 USC 4321-4370a (National Environmental Policy Act of 1969, as amended) for the preparation of an environmental impact statement under

42 USC 4332(2)(C) are not required by the state for support of best interest findings issued under AS 38.05 or conclusive coastal zone consistency determinations issued under AS 46.40.

However, there may be activities subsequent to state oil and gas lease sales that require associated major federal actions that would fall under the jurisdiction of a federal agency and NEPA. In those cases, lessees are required by federal law to follow the requirements of NEPA during the federal permitting or request for authorization process. Federal agencies must follow federal requirements for implementing the NEPA process, and interested parties should contact the applicable federal agency for information on the public participation process for federal actions about which they are concerned.

Therefore, because a federal EIS or environmental assessment is not required for state oil and gas lease sales, and because the Alaska Peninsula Final Finding complies with AS 38.05.035(g) and other state statutory and regulatory requirements, this comment does not constitute substantial new information that justifies a supplement to the most recent best interest finding.

Becky Long

Comment Summary: Ms. Long requested that lessees be required to identify all chemicals used in hydraulic fracturing in the Cook Inlet lease sale area. She stated that there is increasing evidence that hydraulic fracturing can contaminate groundwater. She also stated that the state of Wyoming now requires companies to identify the chemicals they use in this process, and that the companies are complying.

Commissioner's Response: Hydraulic fracturing, or injecting fluids into the well to enhance recovery of oil or gas, is a long-established practice. This process has been used for many years in the conventional oil and gas reservoirs found in the Cook Inlet lease sale area, which are very deep and occur far below groundwater.

The AOGCC has jurisdiction over the use of hydraulic fracturing in the exploration and development of oil and gas under AS 31.05 (the Alaska Oil and Gas Conservation Act) and related regulations (20 AAC 25). Under these authorities, the AOGCC is required to protect the correlative rights of persons owning interests in the lands affected, and specifically regulates the drilling of wells, injection of wastes, and protection of groundwater aquifers and drinking water supplies for human consumption and agricultural uses. AS 31.03.030(e)(1)(B) specifically gives the AOGCC the authority to regulate the perforating, fracture stimulation, and chemical treatment of wells.

The AOGCC further regulates hydraulic fracturing in nonconventional gas wells to ensure protection of drinking water quality (AS 31.05.030(j)(2)(A)). Prior to drilling, a water well testing program must be conducted to determine the baseline data for water quality and quantity, and the results must be made available to the public (20 AAC 25.030(j)(1)(C)).

Therefore, because specific information related to hydraulic fracturing or the use of chemicals in that process was not provided, and because hydraulic fracturing is regulated by AOGCC, this comment does not constitute substantial new information that justifies a supplement to the most recent best interest finding.

Verner Stor Wilson III

Comment Summary: Mr. Wilson stated that ADNR must consider impacts of the Alaska Peninsula lease sale on the salmon fisheries and other wildlife of Bristol Bay; that the Bristol Bay Fishery Reserve needs to be protected; and that roads and pipelines might have to be built in phases subsequent to leasing. Mr. Wilson stated that the potential effects of roads and pipelines on salmon streams should be extensively studied before the lease sale is allowed to proceed, and that onshore drilling should not be allowed until extensive research has demonstrated that it is safe to do so. He provided a reference to an article on genetic diversity of Bristol Bay salmon stocks (Schindler et al. 2010).

Mr. Wilson stated that other proposed projects for the area should also be considered, including the Pebble Mine project and federal offshore lease sales. He stated that an onshore lease sale could be a factor in the economics of offshore development.

Commissioner's Response: Chapter Five of the Alaska Peninsula Final Finding considers and discusses many of the reasonably foreseeable effects of leasing and subsequent activity on the lease sale area, as required by AS 38.05.035(g). These include statewide and local fiscal effects including revenue to the state, the Alaska Permanent Fund Dividend, and employment; effects on local communities, such as effects on commercial fishing, education, health services, and land use; and cumulative effects on air and water quality, habitats, fish, birds, wildlife, subsistence, and cultural and historic resources.

Chapter Three, Section B(1), pages 3-6 and 3-9, and Figure 3.2 provide information about the Bristol Bay Fishery Reserve. Mitigation Measure 4 specifically protects the reserve by prohibiting the siting of temporary or permanent facilities within it. The other mitigation measures in the Alaska Peninsula Final Finding provide many additional protections for the fish and wildlife populations and habitats of the Bristol Bay Fishery Reserve and the lease sale area.

The Schindler et al. (2010) report provided by Mr. Wilson examines population diversity within an individual species. Using 50 years of data from Bristol Bay salmon returns, the study found that variability in salmon returns was lower and fisheries were closed less often because of population diversity. Chapter Three, Sections A through B(1)(a) (pages 3-1 through 3-12), Chapter Four, Sections B-E, and Chapter Five, Section D(3)(a)-(b) provide a lengthy consideration and discussion of the importance of salmon to the Bristol Bay area.

Chapter Two, Section D of the Alaska Peninsula Final Finding considers and discusses federal offshore lease sales, the first of which was held in Alaska in 1976, and in the Bristol Bay (North Aleutian Basin) in 1988 (BOEMRE 2011). The Pebble Project, discovered in 1988, is a copper, gold, and molybdenum prospect located in the Bristol Bay area (Gleason 2009). Through approximately 2005, exploration drilling defined a large, near-surface mineral deposit. Since 2005, exploration drilling has focused on a deeper deposit of similar size, but generally higher grade, immediately to the east. Coincident with the exploration drilling, the Pebble Limited Partnership (PLP) has been conducting environmental and socioeconomic baseline studies in the vicinity of the ore deposits and the potential transportation corridor and port site. As of January 2011, the Pebble Project is still in the exploration phase. Applications for development permits are not expected from PLP until 2012.

Therefore, because federal offshore lease sales in the Bristol Bay area date from 1988; and because the Pebble Project has been ongoing since 1988, this comment does not constitute substantial new information that justifies a supplement to the most recent Alaska Peninsula best interest finding.

Summary and Decision

The Commissioner has considered comments received in response to the Call for New Information for the Alaska Peninsula and Cook Inlet 2011 areawide lease sales, and finds that information about the Deepwater Horizon incident and the Alaska Risk Assessment reports justify supplements to the most recent best interest findings for those lease sales. The Commissioner finds that the supplements should include currently available information about the Deepwater Horizon incident and information from the Alaska Risk Assessment Project reports.

The Commissioner also finds that the supplements should include a new lessee advisory that notifies lessees that the State of Alaska is in the process of reviewing information from the Deepwater Horizon investigations, the Alaska Risk Assessment Project reports, and other ongoing investigations and inquiries, and that new or modified mitigation measures, lessee advisories, or other statutory or regulatory requirements addressing issues such as safety, environmental safeguards, risk management, and reporting standards may be forthcoming within the next year (Attachment B).

A person affected by this decision who provided timely written comment may request reconsideration, in accordance with 11 AAC 02. Any reconsideration request must be received by February 28, 2011, and may be mailed or delivered to:

Commissioner
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1400
Anchorage, Alaska 99501
By fax to 1-907-269-8918

or

By email to dnr.appeals@alaska.gov

If reconsideration is not requested by that date or if the Commissioner does not order reconsideration on his own motion, this decision goes into effect as a final order and decision on March 10, 2011. Failure of the Commissioner to act on a request for reconsideration within 30 days after issuance of this decision is a denial of reconsideration and is a final administrative order and decision for purposes of an appeal to Superior Court. The decision may then be appealed to Superior Court within a further 30 days in accordance with the rules of the court, and to the extent permitted by applicable law. An eligible person must first request reconsideration of 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.



Daniel A. Sullivan
Commissioner

ATTACHMENT A: References

ATTACHMENT B: Supplements to the 2005 Alaska Peninsula Final Finding and 2009 Cook Inlet Final Finding

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