Leasing Activities Information



U.S. Department of the Interior Bureau of Ocean Energy Management Alaska Region

Information To Lessees (ITL) Cook Inlet Planning Area Oil and Gas Lease Sale 244 (Cook Inlet Sale 244) Final Notice of Sale (NOS)

This document contains ITL clauses designed to inform potential bidders of select applicable Federal requirements and other information that may be of benefit to bidders participating in this lease sale.

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(1) <u>Bird and Marine Mammal Protection</u>. Lessees are advised that during all activities related to leases issued as a result of this lease sale, the lessee and its agents, contractors, and subcontractors will be subject to the provisions of the following laws, among others: the Marine Mammal Protection Act (MMPA), as amended (16 U.S.C. 1361 *et seq.*); the Endangered Species Act (ESA), as amended (16 U.S.C. 1531 *et seq.*); the Migratory Bird Treaty Act (MBTA), as amended (16 U.S.C. 703-712 *et seq.*); and the Bald and Golden Eagle Protection Act (BGEPA), as amended (16 U.S.C. 668-668c). Violations of these acts, as well as applicable international treaties, will be reported to the National Marine Fisheries Service (NMFS) or the U.S. Fish and Wildlife Service (USFWS), as appropriate.

Lessees and their contractors should be aware that under the MMPA, disturbance of marine mammals could be determined to constitute a "take." The MMPA defines "take" as "harass, hunt, capture, collect, or kill or attempt to harass, hunt, capture, or kill any marine mammal." Unauthorized take is prohibited under the MMPA and can result in civil and criminal penalties. Applicants can receive authorization to incidentally, but not intentionally, take marine mammals under the MMPA through two processes: a Letter of Authorization (LOA) or an Incidental Harassment Authorization (IHA). The difference between the two types of incidental take authorizations is explained on the NMFS website. The process typically requires 12 to 18 months for an LOA and 6 to 9 months for an IHA, although they may take longer.

Requests for incidental take authorizations under the MMPA should be directed to the appropriate agency. Of the marine mammal species that may occur in or adjacent to Cook Inlet, NMFS is responsible for managing whales, dolphins, seals, and sea lions, and the USFWS is responsible for managing sea otters. Procedural regulations governing take under the MMPA are at 50 CFR part 216 for the NMFS and 50 CFR part 18 for the USFWS. Instructions for obtaining an incidental take authorization are available on the NMFS and USFWS websites.

Of particular concern is disturbance at major wildlife concentration areas, including bird colonies, marine mammal haulout and breeding areas, and wildlife refuges and parks. Lessees are encouraged to confer with NMFS and USFWS in planning transportation routes between shore bases and lease holdings.

Generally, aircraft and vessels are advised to maintain a greater than 1-mile horizontal distance and aircraft maintain at least a 457-m (1,500-ft) altitude when in transit near known or observed wildlife concentration areas, such as seabird colonies, and marine mammal haulout and breeding areas. Viewing guidelines and other protective measures for marine mammals are provided on the NMFS Alaska Regional Office's website (https://alaskafisheries.noaa.gov/protectedresources/mmv/guide.htm).

Lessees are advised that the MBTA, with limited exceptions, makes it illegal for anyone to take, possess, import, export, transport, sell, purchase, barter, or offer for sale, purchase, or barter, any migratory bird, or the parts, nests, or eggs of such a bird. The bird species protected by the MBTA are listed in 50 CFR 10.13. Lessees are advised that the BGEPA prohibits anyone from taking, possessing, or transporting a Bald Eagle (*Haliaeetus leucocephalus*) or Golden Eagle (*Aquila chrysaetos*), or the parts, nests, or eggs of such birds without prior authorization. This includes active or inactive nests. The BGEPA defines "take" as "pursue, shoot, shoot at, poison,

wound, kill, capture, trap, collect, destroy, molest, or disturb." "Disturb" means "to agitate or bother a bald or golden eagle to a degree that causes, or is likely to cause, based on the best scientific information available (1) injury to an eagle, (2) a decrease in its productivity, by substantially interfering with normal breeding, feeding, or sheltering behavior, or (3) nest abandonment, by substantially interfering with normal breeding, feeding, or sheltering behavior." 50 CFR 22.3.

(2) Endangered and Threatened Species Protection. Lessees are advised that the ESA of 1973, as amended (16 U.S.C. 1531 *et seq.*), protects endangered or threatened species that may be affected by activities related to Cook Inlet Sale 244, as listed in the table below. Of the endangered and threatened species that may occur in or adjacent to Cook Inlet waters, the NMFS manages whales and sea lions and the USFWS manages northern sea otters. The USFWS also manages endangered and threatened bird species.

Lessees are advised that the Bureau of Ocean Energy Management (BOEM) will perform an environmental review for each Ancillary Activity notice, proposed Exploration Plan (EP), and proposed Development and Production Plan (DPP). Such reviews will consider the potential for direct, indirect, and cumulative effects on endangered and threatened species. If BOEM concludes that activities described in the notice or plan may cause undue or serious harm or damage to the species, the Regional Supervisor of Leasing and Plans (RSLP) will require that activities be modified, or otherwise mitigated, before allowing such activities to proceed. In the case of an ancillary activity, if such activity may cause undue or serious harm or damage to the species, the RSLP may require the activities be submitted in the form of a plan for approval, pursuant to 30 CFR 550.209.

Lessees are further advised that if information obtained from BOEM or lessee monitoring programs indicates activities conducted on a lease pose a threat of serious, irreparable, or immediate harm or damage to the marine environment, including threatened and endangered species, the BSEE Regional Supervisor/Field Operations can consider, or direct, a suspension of operations for that lease until such time as the issue can be resolved. This suspension is made in accordance with 30 CFR 250.172 and can be terminated when the issue has been resolved.

The NMFS and USFWS may review Ancillary Activity notices, EPs, and DPPs submitted to BOEM to ensure that threatened and endangered species are protected. Lessees should contact the NMFS and USFWS regarding proposed operations and actions that might be taken to minimize interaction with these species.

Table. ESA-Listed Species that May be Present in the Cook Inlet Region

Common Name	Scientific Name	ESA Status	Designated Critical Habitat	
			Lease Sale 244 Area	Cook Inlet Region
Marine Mammals				
Beluga whale (Cook Inlet DPS)	Delphinapterus leucas	Endangered	Yes	Yes
Fin whale	Balaenoptera physalus	Endangered	No	No
Humpback whale	Megaptera novaeangliae	Endangered	No	No
North Pacific right whale	Eubalaena japonica	Endangered	No	Yes
Sei whale	Balaenoptera borealis	Endangered	No	No
Sperm whale	Physeter microcephalus	Endangered	No	No
Blue whale	Balaenoptera musculus	Endangered	No	No
Northern sea otter (Southwest Alaska DPS)	Enhydra lutris kenyoni	Threatened	Yes	Yes
Steller sea lion (Western DPS)	Eumetopias jubatus	Endangered	No	Yes
Birds				
Short-tailed albatross	Phoebastria albatrus	Endangered	No	No
Steller's Eider (Alaska breeding population)	Polysticta stelleri t population segment; ESA =	Endangered	No	Yes

(3) <u>Seismic Surveys</u>: Environmental and Regulatory Review and Coordination Requirements. Lessees are advised that seismic surveys can affect beluga whales, northern sea otters, other marine mammals, coastal birds, subsistence hunting and fishing activities, and commercial fishing activities. Lessees are advised that all seismic survey activity conducted in the Cook Inlet Planning Area, whether as an ancillary activity or as part of an EP or DPP (30 CFR part 550), are subject to review by BOEM to ensure the activity complies with the performance standards listed in 30 CFR 550.202.

BOEM may require that the activity be proposed as a part of a plan (pursuant to 30 CFR 550.209) for approval, and BOEM may impose appropriate mitigation measures as conditions of approval of the plan. These restrictions or conditions of approval may include, but are not limited to, restrictions on the timing of operations, and/or other requirements such as having a locally approved coordinator on board to minimize unreasonable conflicts between seismic survey activities and subsistence activities and/or commercial fishing activities.

Lessees and applicants are advised that BOEM may require any proposed seismic activities to be coordinated with appropriate wildlife and environmental agencies, co-management organizations, and directly affected subsistence communities to identify potential conflicts and develop plans to avoid these conflicts.

Bidders are advised to review the Lease Stipulations portion of the Final NOS Package, and list of blocks to which the stipulations apply, as certain restrictions on seismic and drilling activities to protect listed species will be included as contractual terms in leases issued as a result of Cook Inlet Sale 244.

(4) Archaeological and Geological Hazards Reports and Surveys. Regulations at 30 CFR 550.214(e) and 30 CFR 550.244(e) require a shallow hazards report to be included in proposed EPs and DPPs. Regulations at 30 CFR 550.227(b)(6) and 30 CFR 550.261(b)(6) also require EPs and DPPs to describe archeological resources that could be affected by, or affect, proposed activities. Potential submerged archaeological resources range from historic to prehistoric. Historic resources include man-made objects or structures older than 50 years, such as shipwrecks, abandoned relics of historic importance, or submerged airplanes. The likelihood of historic resources is determined by historical records, and tentative locations of historic resources are identified in the Alaska Shipwreck Database.

Additional guidance is provided in BOEM Notice to Lessees and Operators (NTL) 2005-A03 for archaeological surveys; NTL 2005-A01 for shallow hazards surveys prior to exploration and development drilling on a lease; and NTL 2005-A02 for shallow hazards surveys of pipeline routes and rights-of-way. These NTLs are available online on the BOEM website at http://www.boem.gov/Notices-to-Lessees-and-Operators/.

(5) <u>Sensitive Areas to be Considered in Oil Spill Response Plans</u>. Lessees are advised that certain areas of Cook Inlet are especially valuable for their concentrations of marine birds, marine mammals, fish, other biological or cultural resources, and for their importance to subsistence harvest activities. Lessees are advised to consider these areas when developing an Oil Spill Response Plan (OSRP).

Identified areas and time periods of special biological and cultural sensitivity for Cook Inlet include, but are not limited to, the following:

- Critical habitat for the Cook Inlet DPS of beluga whale (50 CFR 226.220);
- Critical habitat for the Southwest Alaska DPS of northern sea otter (50 CFR 17.95(a));
- Critical habitat for the Western DPS of Steller sea lion (50 CFR 226.202);
- Critical habitat for the North Pacific right whale (50 CFR 226.215);
- National Park Service (NPS) units including Lake Clark National Park and Preserve (NPP), Katmai NPP, Kenai Fjords National Park, and Aniakchak National Monument and Preserve;
- National Wildlife Refuges (NWR) including Alaska Maritime, Alaska Peninsula, Becharof, Kenai, Kodiak;
- Kachemak Bay National Estuarine Research Reserve (NERR);

- Alaska State Park units including Afognak Island State Park; Kachemak Bay State Park and State Wilderness Park; Shuyak Island State Park; and the Captain Cook, Clam Gulch, and Ninilchik State Recreation Areas;
- State critical habitat areas including Clam Gulch, Fox River Flats, Kachemak Bay, Kalgin Island, Redoubt Bay, and Tugidak Island;
- Wildlife and game sanctuaries, refuges, and preserves including Anchorage Coastal Wildlife Refuge; McNeil River State Game Sanctuary and Refuge; and the Goose Bay, Susitna Flats, Palmer Hay Flats, and Trading Bay State Game Refuges;
- Other areas of concentrated biological resources including Chisik and Duck Islands, Kamishak Bay, Kachemak Bay, the Barren Islands, Marmot Island, Tugidak Island, Chirikof Island, Puale Bay, and the Pye Islands;
- A national historic landmark (Yukon Island Main Site, near Homer) which has been identified as sensitive; and
- Port Graham/Nanwalek Area Meriting Special Attention (AMSA) as identified in the Kenai Borough Coastal Management Plan.

These areas are among areas of special economic or environmental importance to be considered in the OSRP (see BSEE regulations at 30 CFR 254.26). Lessees are advised that they have primary responsibility for identifying these areas in the OSRP and for providing specific protective measures. Additional areas of special economic or environmental importance may be identified during review of EPs and DPPs.

Lessees are advised to consult with the USFWS, the NPS, or state or borough personnel to identify specific environmentally-sensitive areas within National Wildlife Refuges, NPS units, or state special areas that should be considered when developing a project-specific OSRP.

(6) <u>Discharge Restrictions and Prohibitions</u>. Lessees are advised that any discharges into Cook Inlet authorized by BOEM under an EP or DPP must also be authorized by, and comply with, a National Pollutant Discharge Elimination System (NPDES) permit. By agreement between the Department of the Interior and the U.S. Environmental Protection Agency (USEPA), BSEE may conduct NPDES permit compliance inspections of post-lease operations authorized under the Outer Continental Shelf Lands Act (OCSLA). Also, in accordance with 30 CFR 250.300(b)(1), BSEE may further restrict the rate of drilling fluid discharge or prescribe alternative discharge methods. BSEE may also restrict the use of certain components in discharges which could cause unreasonable degradation to the marine environment.

Alaska General Permit (GP) AKG-28-5100 became effective on September 1, 2016 and is set to expire on August 31, 2021. In addition to authorizing the discharge of drilling fluids and drill cuttings from exploratory facilities, GP AKG-28-5100 also authorizes discharges of deck drainage, sanitary wastes, domestic wastes, desalination unit wastes, blow preventer fluid, boiler blowdown, fire control system test water, non-contact cooling water, uncontaminated ballast water, bilge water, excess cement slurry, as well as fluid, cuttings, and cement at seafloor. Discharges from operations in Cook Inlet are prohibited by GP AKG-28-5100 in the following areas:

- 1. Ten Meter Isobath. Facilities are prohibited from discharging shoreward of the 10 meter mean lower low water isobath.
- 2. Geographic Restrictions. Facilities are prohibited from discharging in the following areas:
 - a. Within 20 nautical miles of Sugarloaf Island as measured from a centerpoint at latitude 58°53' N, longitude 152°02' W.
 - b. In Kamishak Bay, west of a line from Cape Douglas to Chinitna Point.
 - c. In Shelikof Strait, south of a line between Cape Douglas on the west (latitude 58°51' N, 153°15' W) and the northernmost tip of Shuyak Island on the east (latitude 58°37' N, 152°22' W).
 - d. Within the Port Graham/Nanwalek AMSA and the 4,000 m buffer surrounding the AMSA.

With respect to exploration activities in the Cook Inlet Lease Sale 244 area, lessees are advised that the NPDES general permit AKG-28-5100 issued by the USEPA prohibits all discharges from OCS oil and gas exploration facilities in Kamishak Bay west of a line from Cape Douglas to Chinitna Point. The discharge prohibition applies to all or part of the following OCS blocks within OPD NO05-01 (Iliamna): Blocks 6436, 6484, 6485, 6486, 6532, 6533, 6534, 6535, 6536, 6582, 6583, 6584, 6585, 6632, 6633, 6634, and 6635. In addition, the NPDES general permit prohibits discharges within 4,000 m (13,123 ft) of the Port Graham/Nanwalek Area Meriting Special Attention (AMSA) near the Lower Kenai Peninsula. The discharge prohibition also applies to Block 6612 of OPD NO05-02 (Seldovia).

Current NPDES general permits for the Cook Inlet OCS oil and gas exploration facilities are available on the EPA's website at https://yosemite.epa.gov/r10/water.nsf/NPDES+Permits/CurrentAK822. Lessees are advised to contact EPA Region 10 for further information.

(7) <u>Trash and Debris Awareness and Elimination</u>. Trash and debris pose a threat to marine mammals, birds, fish, and other wildlife; cause costly delays and repairs for commercial and recreational boating interests; detract from the aesthetic quality of recreational shore fronts; and increase maintenance costs for parks and refuges. Because oil and gas operations can contribute to this chronic problem, BSEE regulations at 30 CFR 250.300(a) and (b)(6) prohibit lessees from deliberately discharging containers and other similar materials (i.e., trash and debris) into the marine environment. BSEE regulations at 30 CFR 250.300(c) and (d) require lessees to make durable identification markings on equipment, tools and containers (especially drums), and other material, and to record and report items lost overboard to the BSEE Regional Supervisor/Field Operations through facility daily operations reports.

Furthermore, the intentional jettisoning of trash has been prohibited by the International Convention of the Prevention of Pollution from Ships (MARPOL) Annex V, the Marine Plastic Pollution Research and Control Act, and regulations imposed by agencies including the USCG and the EPA. Certain USCG and USEPA regulations further require that lessees become more proactive in avoiding accidental loss of solid waste items by developing waste management plans, posting informational placards, manifesting trash sent to shore, and using special precautions such as covering outside trash bins.

Lessees are expected to exercise special caution when handling and disposing of small items and packaging materials, particularly those made of non-biodegradable, environmentally persistent materials such as plastic or glass that can be lost in the marine environment and washed ashore. Increasing worker awareness of the problem and emphasizing their responsibilities will help reduce litter and control the unintended loss of items such as empty buckets, hard hats, shrink wrap, strip lumber, and pipe thread protectors.

(8) <u>Air Quality Regulations and Standards</u>. Lessees proposing oil and gas operations on the OCS may be required to obtain air quality pre-construction and operating permits as a condition of EP and DPP approval. The type of permit and the responsible issuing Federal or State agency depends on: (1) the maritime location of the proposed operations, which determines the agency or agencies with jurisdiction over air quality control; (2) the air quality status of the adjacent onshore area affected by the emissions projected from the proposed plan, which determines the type of air permit that may be required; and (3) the location of any Federal lands afforded special protection under title I part C sec. 162 of the Clean Air Act (CAA, 42 U.S.C. § 7472), as amended, and under the Wilderness Act (42 U.S.C. § 7472).

Depending on the location of oil and gas operations, lessees may be subject to Federal USEPA OCS air regulations under 40 CFR part 55, or the USEPA OCS air regulations together with the Alaska rules under title 18 Alaska Administrative Code (AAC) chapter 50. The USEPA and Alaska Department of Environmental Conservation (ADEC) share jurisdiction over emission sources close to shore, i.e., those occurring more than 3 nautical miles (nm) from shore but within 25 nm of the state seaward boundary, which is referred to as the Contiguous Zone (CZ). Lessees must follow the relevant procedures, when required, for emissions affecting attainment areas.

Some wilderness areas are protected and federally managed to preserve their natural condition. The most protected areas are categorized as "Class I areas." The Tuxedni Wilderness Area is a Class I area comprised of two islands, Chisik Island and Duck Island, at the mouth of Tuxedni Bay on the west wide of Cook Inlet. The area is protected under the Alaska Maritime National Wildlife Refuge (NWR), which is managed by the USFWS. When a lessee requires a permit for the Prevention of Significant Deterioration of an attainment area, there are specific requirements for protection of the Tuxedni Wilderness Area and for coordination with the USFWS.

A proposal for a new stationary source of major emissions, or major modifications of an existing emissions source (referred to collectively as major sources), requires a pre-construction permit under USEPA's New Source Review (NSR) program. The USEPA defines major sources under the PSD program according to facility type at 40 CFR 52.21(b)(1)-(2). Lessees must coordinate with USEPA Region 10 in Seattle, Washington, to determine the requirement for a PSD permit.

In addition, the close proximity of the Tuxedni Wilderness Area requires lessees proposing oil and gas operations in Cook Inlet to obtain approval from the USFWS as part of their PSD permit. Under 40 CFR 51.166, the lessee must ensure that no degradation of visibility occurs within the wilderness area due to emissions from their proposed OCS operations. In addition, lessees may be required to evaluate deposition impacts, referred to as the emissions (Q)-over-

distance (D) screening criteria, or Q/D, if OCS operations are proposed greater than 50 km (31.1 miles) from the Tuxedni Wilderness Area.

The Title V permit program is designed to improve compliance with air quality standards on both a Federal and State level by clarifying what must be done to control air pollution from some new and existing sources of emissions. The permit is established under Title V of the CAA, and promotes timely and efficient implementation of goals and requirements of the CAA and the applicable State Implementation Plan (SIP) (42 U.S.C. § 7661c). Most Title V permits are issued through State agencies under CAA part 70 (part 70), which is adopted by reference under Alaska's 18 ACC § 50.326; a smaller number are issued by Federal authority of the USEPA under CAA part 71. Regardless of the issuing agency, each Title V permit would include enforceable emission limitations and standards, a schedule of compliance, a requirement that the permittee submit data and reports to the permitting authority on a recurring basis, and such other conditions as are necessary to assure compliance with applicable requirements.

Title V requires a lessee to obtain a permit and operate proposed sources in compliance with the permit if their operations constitute a major source, i.e., emit 100 short tons per year or more of each criteria air pollutant. The PSD rules and the Title V requirements are applicable to OCS sources under different thresholds that define a major source based on the projected rate of emissions (i.e., 250 short tons per year for PSD and 100 short tons per year for Title V). Thus, a PSD permit is not always applicable when a lessee must obtain a Title V permit, but a Title V permit is always applicable when the lessee requires a PSD permit. Operations proposed in areas of Cook Inlet Sale 244 located within the CZ (i.e., beyond 3nm of shore but within 25 nm of the seaward boundary) are subject to both the USEPA regulations (i.e., part 71) and State of Alaska regulations (i.e., part 70). When both permits are required, the USEPA and ADEC may agree that one permit application may suffice for compliance to both programs. Lessees are encouraged to consult with the ADEC and the USEPA Region 10 office in Seattle, Washington, for guidelines on the requirements for State and Federal Title V operating permits.

(9) <u>Navigation Safety</u>. Lessees are advised that operations on some blocks offered for lease may be restricted by designation of fairways, precautionary zones, anchorages, safety zones, or traffic separation schemes established by the USCG pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 *et seq.*), as amended, and the Deepwater Port Act (33 U.S.C. 1501-1524).

Lessees also are advised to review the USCG regulations at 33 CFR part 147 – Safety Zones. These regulations establish a 500-meter (1,640-foot) safety zone around several oil and gas production facilities on the OCS, measured from each point on its outer edge or from its construction site, so as not to interfere with the use of recognized sea lanes essential to navigation. These regulations prevent all vessels from entering or remaining in the safety zones except as follows: (1) an attending vessel; (2) a vessel under 100 feet in length overall not engaged in towing; or (3) a vessel authorized by the Eighth Coast Guard District Commander. These facilities and their locations are specifically identified in 33 CFR part 147.

For additional information, prospective bidders should contact the U.S. Coast Guard, 17th Coast Guard District, P.O. Box 3-5000, Juneau, Alaska 99802, (907) 586-7355.

- U.S. Army Corps of Engineers permits are required for construction of artificial islands, installations, and other devices permanently or temporarily attached to the seabed located on the OCS in accordance with section 4(e) of the OCS Lands Act, as amended. For additional information, prospective bidders should contact the U.S. Army Corps of Engineers, Alaska District, Regulatory Branch (1145b), P.O. Box 898, Anchorage, Alaska 99506, (907) 753-2724.
- (10) Notice of Arrival on the Outer Continental Shelf. Lessees are advised that, pursuant to 33 CFR 146.405, which implements provisions of the Security and Accountability for Every Port Act of 2006, owners or operators of U.S. and foreign flag floating facilities, Mobile Offshore Drilling Units, and vessels are required to submit notice of arrival information to the National Vessel Movement Center (http://www.nvmc.uscg.gov/NVMC/default.aspx) prior to engaging in OCS activities (33 CFR part 146). Section 704 of the Coast Guard and Maritime Transportation Act of 2012 (Pub. L. No. 112-213) mandates that "the regulations required under section 109(a) of the Security and Accountability For Every Port Act of 2006 (33 U.S.C. 1223 note [Pub. L. No. 109-347, 109]) dealing with notice of arrival requirements for foreign vessels on the Outer Continental Shelf shall not apply to a vessel documented under section 12105 of title 46, United States Code, unless the vessel arrives from a foreign port or place." (Pub. L. No. 112-213, §704). For more information, contact:

LCDR Mike Lendvay CVC-2 Port State Control Oversight Telephone: (202) 372-1218 Michael.D.Lendvay@uscg.mil

(11) <u>Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses,</u> <u>Suspension, or Debarment; Disqualification Due to a Conviction under the Clean Air Act or the Clean Water Act.</u>

A. Information Bidders/Lessees Must Provide to BOEM Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment:

Under 2 CFR 180.335, before submitting a bid, bidders/lessees must notify BOEM in writing if they know that they, or any principals as defined in 2 CFR 180.995:

- are presently excluded or disqualified from entering into a transaction with a Federal agency;
- have been convicted within the preceding three years of any of the offenses listed in 2 CFR 180.800(a), or had a civil judgment rendered against them for one of those offenses within that time period;
- are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in 2 CFR 180.800(a); or
- have had one or more public transactions (Federal, State, or local) terminated within the preceding three years for cause or default.

Under 2 CFR 180.350, after obtaining a lease, bidders/lessees must notify BOEM in writing if they learn that:

• they failed to disclose information earlier, as required by 2 CFR 180.335; or

- due to changed circumstances, they or any of the principals for the transaction now meet any of the criteria in 2 CFR 180.335.
- B. Effect of a Conviction Under the Clean Air Act or the Clean Water Act on Bidders/Lessees:

Under 2 CFR 1532.1110, bidders/lessees (including any principals as defined in 2 CFR 180.995) who are convicted of any offense described in 2 CFR 1532.1105 are automatically disqualified from eligibility to receive any lease by award or assignment (i.e., a covered transaction under subpart A through I of 2 CFR part 180, or prohibited awards under 48 CFR part 9, subpart 9.4), if they:

- will perform any part of the transaction or award at the facility giving rise to their conviction (called the violating facility); and
- own, lease, or supervise the violating facility.

NOTE: A conviction of an offense described in 2 CFR 1532.1105 automatically disqualifying bidders from eligibility as described in 2 CFR 1532.1110 set forth in "B" above triggers the notice requirements in 2 CFR 180.335 and 180.350 set forth in "A" above.

- (12) Oil Spill Response Preparedness. Lessees are advised they must be prepared to respond to oil spills which could occur as a result of offshore natural gas and oil exploration and development activities. The lessee will submit for approval an Oil Spill Response Plan (OSRP) in accordance with BSEE regulations at 30 CFR part 254. Of particular concern are sections of the OSRP that address the following:
 - potential spill size and trajectory;
 - specific actions to be taken in the event of a spill;
 - the location and appropriateness of oil-spill equipment; and
 - the ability of the lessee to protect communities and important resources from adverse effects of a spill.

In addition, lessees will be required, pursuant to BSEE regulations at 30 CFR part 254, to conduct spill response drills that include deployment of equipment to demonstrate response preparedness for spills under realistic conditions.

- (13) Offshore Pipelines. Lessees are advised that the Department of the Interior and the Department of Transportation entered into a Memorandum of Understanding, dated December 10, 1996, concerning the design, installation, operations, inspection, and maintenance of offshore pipelines. Lessees should consult both Departments for regulations applicable to offshore pipelines.
- (14) <u>Bureau of Safety and Environmental Enforcement (BSEE) Inspection and Enforcement of Certain U.S. Coast Guard (USCG) Regulations</u>. Lessees are advised to review USCG regulations at 33 CFR part 140 subpart B, "Inspections." These regulations authorize BSEE to perform inspections on fixed OCS facilities engaged in OCS activities and to enforce USCG regulations applicable to those facilities in accordance with 33 CFR subchapter N parts 140-147. For more information, contact U.S. Coast Guard, 17th Coast Guard District, P.O. Box 3-5000, Juneau, Alaska 99802, (907) 586-7355.

Alaska OCS Region Bureau of Ocean Energy Management 3801 Centerpoint Dr. Ste 500 Anchorage, AK 99503-5820

Telephone: 907-334-5200 or 1-800-764-2627 BOEM Alaska OCS Region website: http://www.boem.gov/Alaska-Region/