

Record of Decision
for the Cook Inlet Planning Area, Alaska
Outer Continental Shelf
Oil and Gas Lease Sale 258
(December 2025)

1. INTRODUCTION

The potential environmental effects of oil and gas activities that are reasonably foreseeable as a result of Cook Inlet Outer Continental Shelf (OCS) Oil and Gas Lease Sale (LS) 258 were evaluated in the *Alaska Outer Continental Shelf, Cook Inlet Planning Area, Oil and Gas Lease Sale 258 in the Cook Inlet, Alaska, Final Environmental Impact Statement* (EIS) (OCS/EIS EA BOEM 2022-061) (2022 Final EIS). The Principal Deputy Assistant Secretary, Land and Minerals Management, signed the original Record of Decision (ROD) for the lease sale on November 26, 2022. LS 258 was held on December 30, 2022, resulting in one lease issued to Hilcorp Alaska, LLC.

On April 4, 2025, the Bureau of Ocean Energy Management (BOEM) published the Notice of Intent (NOI) to prepare a Supplemental EIS to address deficiencies identified by the U.S. District Court for the District of Alaska (Court) in its opinion of July 16, 2024. The *Alaska Outer Continental Shelf, Cook Inlet Planning Area, Oil and Gas Lease Sale 258 in the Cook Inlet, Alaska, Final Supplemental Environmental Impact Statement* (OCS EIS/EA BOEM 2025-035) was prepared to address the deficiencies identified by the Court and to inform my decision on whether to affirm, modify, or void LS 258.

2. DECISION

I have selected Alternative 6, described as the Preferred Alternative in the Supplemental EIS, affirming LS 258 and preserving the opportunity to explore and possibly develop the lease issued in LS 258. In reaching this decision, I have considered the oil and gas resource potential in the Cook Inlet Lease Sale Area and the potential development of oil and gas resources in the context of social, economic, and environmental values, impacts, and concerns, including those analyzed in the Supplemental EIS. Alternative 6 meets the purpose and need of the Proposed Action, balances regional and national energy policy considerations, and includes measures to mitigate potential environmental and socioeconomic impacts. I have concluded that Alternative 6 is subject to adequate environmental safeguards and is consistent with the maintenance of industry competition for potential resource development and national needs. I have considered the analyses provided in the Supplemental EIS, and all practicable mitigation measures at the lease sale stage have been applied, as described below in Section 8. In addition, the Department continues to retain the ability to review and require additional mitigation measures when approving post-lease activities. I have determined that, after careful balancing, the national and regional energy needs weigh in favor of selecting the preferred alternative.

I have concluded that Alternative 6, with the associated exclusions of OCS blocks overlapping designated critical habitat for beluga whales and northern sea otters and the adoption of mitigation measures (i.e., lease stipulations) for protection of beluga whales, northern sea otters, and the drift gillnet fishery, meets the purpose and need for BOEM's Proposed Action, balances regional and national policy considerations, and includes measures to minimize potential environmental and socioeconomic impacts. It supports both the Congressional intent in requiring LS 258 be conducted in 2022 as part of the Inflation Reduction Act (Pub. L. No. 119-61) and responds to the national energy emergency declared by the President (Executive Order 14156, "Declaring a National Energy Emergency," (Jan. 20, 2025). After reviewing the effects analyses and the science used to conduct those analyses (as supplemented in the Supplemental EIS), I

have concluded that the exclusions and mitigation measures implemented through Alternative 6 will afford beluga whales, their critical habitat, and sea otters and their critical habitat, adequate environmental safeguards and are consistent with maintenance of industry competition for potential resource development and national needs. Furthermore, I find that the Supplemental EIS addresses the Court's identified deficiencies and its remand to the Department, described in Section 1.

3. LITIGATION SUMMARY

The Cook Inlet OCS Oil and Gas LS 258 was held on December 30, 2022, resulting in one lease issued to Hilcorp Alaska, LLC. (which is currently under suspension by the Court pending completion of the Supplemental EIS). On December 21, 2022, five non-governmental organizations—Cook Inletkeeper, Alaska Community Action on Toxics, Center for Biological Diversity, Kachemak Bay Conservation Society, and Natural Resources Defense Council, Inc.—filed a lawsuit in the U.S. District Court for the District of Alaska, under the Administrative Procedure Act (APA). The plaintiffs contended that BOEM's environmental review of LS 258 and the subsequent ROD violated the National Environmental Policy Act (NEPA).

On July 16, 2024, the Court ruled partially in favor of the plaintiffs (*Cook Inletkeeper v. U.S. Dep't of the Interior*, 740 F. Supp. 3d 767 (D. Alaska 2024)), finding that BOEM violated NEPA in certain respects in its 2022 LS 258 FEIS. The decision identified the following three deficiencies:

1. BOEM did not adequately consider a reasonable range of alternatives that would offer for lease a reduced number of blocks that would meaningfully reduce overall impacts;
2. BOEM failed to take the requisite hard look at the impact of vessel noise on Cook Inlet beluga whales; and
3. Because Cook Inlet beluga whales have been impacted differently than other marine mammals in Cook Inlet by past actions, BOEM should have considered the cumulative impacts on Cook Inlet beluga whales separately from other marine mammals.

As such, the Court remanded, without vacatur, the 2022 LS 258 Final EIS and the LS 258 ROD for BOEM to supplement the FEIS to address the deficiencies, and modify the ROD as warranted. The Court also suspended Hilcorp's lease while the Supplemental EIS was being developed. In addition, BOEM was directed to file a status report with the Court every 6 months until the Supplemental EIS is complete.

In response to the Court's order and remand, BOEM prepared the Supplemental EIS to address the identified deficiencies through expanded analysis, updated data, and revised methodologies. Specifically, it reanalyzes the five original action alternatives and the No Action alternative with the new information and additional analyses, and introduces three new alternatives to address the Court's concern regarding the range of alternatives. To remedy the identified deficiencies, the Supplemental EIS: (1) reevaluates the impacts of vessel noise on beluga whales, including their hearing sensitivity and the likelihood, severity, and duration of impacts; (2) separates the cumulative impacts analysis for beluga whales from that of other marine mammals; and (3) includes three additional alternatives that reduce the number of blocks offered for lease to address the Court's expectation that reducing the number of lease blocks would meaningfully reduce overall impacts.

4. PREFERRED ALTERNATIVE

Alternative 6, described as the Preferred Alternative in both the 2022 Final EIS and Supplemental EIS, offered for lease 193 unleased OCS blocks (approximately 387,771 hectares or 958,202 acres) and excluded all 17 OCS blocks within the Lease Sale Area that wholly or partially overlap designated critical

habitat for the beluga whale and northern sea otter. Alternative 6 also applied additional mitigation measures to reduce potential impacts to beluga whales and their critical habitat and feeding areas, sea otters and their critical habitat, and the gillnet fishery. Alternative 6 combines the following two critical habitat exclusion alternatives and three mitigation alternatives:

4.1 Beluga Whale Critical Habitat Exclusion (Alternative 3A)

This exclusion applies to the 10 OCS blocks that overlap with the “Area 2” beluga whale critical habitat at the northern tip of the proposed sale area analyzed in the Supplemental EIS. These OCS blocks were not offered for lease in 2022 and represent approximately 0.85 percent of the total area of beluga whale critical habitat.

4.2 Beluga Whale Nearshore Feeding Areas Mitigation (Alternative 3C)

This mitigation measure creates temporal restrictions for on-lease seismic survey activities within the Lease Sale Area. On all 193 OCS blocks that were offered for lease, no on-lease marine seismic surveys will be conducted between November 1 and April 1, when beluga whales are most likely to be present and distributed across the Lease Sale Area. The Protection of Beluga Whales Stipulation is included on the lease issued as a result of LS 258.

Additionally, for blocks located within 10 miles of major anadromous streams, lessees will not conduct on-lease marine seismic surveys between July 1 and September 30, when beluga whales are migrating to and from their summer feeding areas. The Protection of Beluga Whale Nearshore Feeding Areas Stipulation is included on the lease issued as a result of LS 258.

4.3 Northern Sea Otter Critical Habitat Exclusion (Alternative 4A)

This exclusion applies to the 7 OCS blocks that overlap with the northern sea otter Southwest (SW) Alaska Distinct Population Segment (DPS) critical habitat within the proposed sale area analyzed in the Supplemental EIS. These OCS blocks were not offered for lease in LS 258.

4.4 Northern Sea Otter Critical Habitat Mitigation (Alternative 4B)

This mitigation measure prohibits lessees from discharging drilling fluids and cuttings and conducting seafloor disturbing activities (including anchoring and placement of bottom-founded structures) within 1,000 meters (m) of areas designated as northern sea otter critical habitat. The Northern Sea Otter SW DPS Critical Habitat Mitigation would have been included if any leases were issued on the 14 OCS blocks within 1,000 m of northern sea otter critical habitat. The lease issued was not within this area.

4.5 Gillnet Fishery Mitigation (Alternative 5)

This mitigation measure applies to the 117 OCS blocks (whole or partial) located north of Anchor Point within the Lease Sale Area to reduce the potential for conflicts with the drift gillnet fishery. Lessees are prohibited from conducting on-lease seismic surveys during the drift gillnetting season as designated by the Alaska Department of Fish and Game (ADF&G) (approximately mid-June to mid-August). Lessees are required to notify the United Cook Inlet Drift Association (UCIDA) of any temporary or permanent structures planned during the drift gillnetting season. The Protection of Gillnet Fishery Stipulation was included on the lease issued as a result of LS 258.

Alternatives 3C, 4B, and 5 have been implemented through lease stipulations, which apply to the one leased OCS block. For each of these mitigation measures, the lessee may request a variance at the time of

filing an ancillary activities notice, an Exploration Plan (EP), or a Development and Production Plan (DPP) with BOEM's Regional Supervisor for Leasing and Plans. Such requests must identify alternative methods for providing commensurate protection and analyze the effectiveness of those methods. While these mitigation measures are required by the lease itself, the Department may require additional mitigation measures during post-lease plan and permit reviews, as appropriate.

5. ALTERNATIVES ANALYZED IN DETAIL BUT NOT SELECTED

The Proposed Action, described as Alternative 1 in the 2022 Final EIS and Supplemental EIS, entailed offering for lease all available OCS blocks in the northern portion of the Cook Inlet Planning Area covering approximately 442,537 ha (1.09 million ac), representing approximately 20 percent of the total Cook Inlet Planning Area (224 OCS blocks).

Under Alternative 2 (No Action), LS 258 would not have been held. The opportunity for development of potential oil and gas resources along with environmental impacts and benefits, would be precluded or postponed to a future lease sale decision under a new National Program. Nevertheless, Congress required the Department to hold LS 258 no later than December 31, 2022, in the Inflation Reduction Act (Pub. L. No. 117-61).

Alternative 3B (Beluga Whale Critical Habitat Mitigation) would have mitigated impacts on the 10 OCS blocks overlapping beluga whale critical habitat.

In response to deficiencies identified by the Court, three additional alternatives (Alternatives 7 through 9) were developed and subjected to detailed analysis in this Supplemental EIS.

Alternative 7 (Northern Area Exclusion) would exclude 117 OCS blocks at the northern end of the Lease Sale Area. This exclusion area would include the block originally leased in LS 258.

Alternative 8 (Tuxedni Bay/Chinitna Bay Buffer Exclusion) would exclude 56 OCS blocks that overlap a 10-mile buffer from the mouths of Tuxedni Bay or Chinitna Bay. This exclusion area would include the block originally leased in LS 258.

Alternative 9 (Northern Feeding Area 5-Mile Exclusion) would exclude 62 OCS blocks that overlap a 5-mile buffer zone along the coast north of an east/west line crossing Cook Inlet from Anchor Point to the west side of Cook Inlet south of Chinitna Bay. The lease issued was not within this area.

As LS 258 has already occurred, selecting any of the alternatives described above would result in not affirming the Lease Sale and would void the one lease issued as a result of LS 258.

6. ENVIRONMENTALLY PREFERABLE ALTERNATIVE

I have identified Alternative 2, referred to as the No Action Alternative in the Supplemental EIS, as the environmentally preferable alternative. The environmentally preferable alternative is the alternative that causes the least damage to the biological and physical environment and best protects, preserves, and enhances historical, cultural, and natural resources (43 CFR 46.30). The No Action Alternative is considered environmentally preferable because not holding an individual lease sale could delay the timing of, and likely reduce, certain OCS oil- and gas-related activities and resulting environmental effects in Cook Inlet. As stated previously, Alternative 2 would not affirm the Lease Sale and would void the one lease issued as a result of LS 258. However, Alternative 2 would not comport with Congress' directive to the Department of the Interior to hold LS 258, as mandated in the Inflation Reduction Act.

7. CONSULTATIONS AND OTHER ENVIRONMENTAL REQUIREMENTS

7.1 Tribal

Consistent with Executive Order 13175 and implementing DOI directives, BOEM contacted the Tribes, ANCSA Corporations, Tribal entities, and local governments in the Cook Inlet and Kodiak Island region to offer to reinstate new consultations or follow-up communications with Tribes and ANCSA Corporations as appropriate. In August 2025, the Chugach Regional Resources Commission (CRRC) contacted BOEM via email to request a meeting regarding the Supplemental EIS process. Subsequently, BOEM met with CRRC at a mutually agreed date (September 30, 2025). BOEM provided the CRRC representative with an overview of Cook Inlet Lease Sale 258 providing background and explaining the planned approach for developing the Supplemental EIS in response to the deficiencies identified by the Court. The discussion clarified BOEM's approach to the satisfaction of the CRRC representative. No additional comments were offered by the CRRC.

7.2 Essential Fish Habitat (EFH)

The Magnuson-Stevens Fishery Conservation and Management Act (as amended) requires federal agencies to consult with National Marine Fisheries Service (NMFS) regarding actions that may adversely affect EFH. BOEM prepared an EFH assessment that identified adverse effects to designated EFH from potential oil and gas exploration activities in the LS 258 sale area. This assessment was provided to NMFS on January 20, 2022. NMFS responded on February 24, 2022, concurring that the lease sale itself was unlikely to adversely affect EFH, but that future development may have variable effects. BOEM provided a formal response to NMFS on October 14, 2022. During the preparation of the Supplemental EIS, BOEM revisited the 2022 consultation documents and determined that no additional activities or geographic scope would be added to the scenario presented in the Final EIS. Therefore, BOEM determined that the EFH consultation would not need to be reopened. On July 31, 2025, BOEM notified NMFS of the scope of this Supplemental EIS and of its assessment that reinstitution of EFH Consultation was not warranted. To date, NMFS has not responded with concurrence.

7.3 Endangered Species Act (ESA)

BOEM and the Bureau of Safety and Environmental Enforcement (BSEE) completed Endangered Species Act (ESA) Section 7 consultations with the U.S. Fish and Wildlife Service (USFWS) and NMFS for LS 258. Both agencies requested incremental step consultation to ensure that early lease activities—such as seismic surveying, ancillary activities, and exploration drilling—would not jeopardize listed species or adversely modify designated critical habitat and that there was a reasonable likelihood that future activities would also not do so. The USFWS and NMFS each issued a Biological Opinion (BiOp) in 2023 concluding that reasonably foreseeable LS 258 activities would not result in jeopardy or adverse modification. USFWS issued an Incidental Take Statement (ITS) for the take of Steller's eiders and northern sea otters during exploration activities; NMFS did not issue an ITS at this stage due to the programmatic nature of the consultation. The LS 258 ESA consultations are valid so long as the following conditions are met: the LS 258 program is conducted as described; the NMFS and USFWS BiOps continue to accurately describe the listed species, critical habitat, and potential effects of activities; the required monitoring and mitigation measures are applied; and the required future consultations are carried out.

BOEM and BSEE will continue to closely evaluate and assess risks to listed species and designated critical habitat based on the most recent and best available information to ensure compliance of LS 258 with the ESA and will reinstate consultation as necessary with NMFS and/or USFWS in the future.

Should the lessee or operator on the one issued lease block submit a DPP for approval, BOEM will reinitiate consultation for the next incremental step as required in the BiOps.

7.4 National Historic Preservation Act (NHPA)

BOEM recognizes that lease sales constitute undertakings under Section 106 of the National Historic Preservation Act (NHPA) (54 U.S.C. § 306108) and its implementing regulations at 36 CFR Part 800. However, lease sales themselves are not the type of activity that has the potential to cause effects on historic properties. In a letter dated September 23, 2020, BOEM conveyed this determination to the Alaska State Historic Preservation Officer (SHPO), who agreed via email on November 16, 2021.

In alignment with that understanding, on June 30, 2025, BOEM provided the SHPO with an informational notice regarding the development of this Supplemental EIS. At this time, BOEM is not requesting formal Section 106 consultation as no EPs or DPPs are under review or will be authorized immediately as part of LS 258. BOEM will continue to evaluate future site-specific activities submitted under any resulting lease in accordance with NHPA Section 106, including consultation with the SHPO as appropriate.

7.5 Coastal Zone Management Act (CZMA)

As of July 1, 2011, the federal consistency provision no longer applies in Alaska. Consequently, federal agencies are not required to provide the State of Alaska with CZMA Consistency Determinations or Negative Determinations pursuant to 16 U.S.C. § 1456(c)(1) and (2), and 15 CFR part 930, subpart C. Similarly, persons or agencies seeking federal authorizations or funding are not required to provide the State of Alaska with CZMA Consistency Certifications pursuant to 16 U.S.C. § 1456(c)(3)(A), (B) and (d), and 15 CFR part 930, subparts D, E and F (76 FR 39857, July 7, 2011).

8. MITIGATION MEASURES

As part of the decision to affirm LS 258, BOEM adopted all practicable means of mitigation at the lease sale stage to avoid or minimize environmental harm from the chosen Preferred Alternative. In addition, BOEM will conduct additional environmental analyses on any post-lease activities (for example, EPs and DPPs) that may be proposed by a lessee. BOEM retains discretion to impose additional project-specific mitigation measures as conditions of individual plan approvals. The various mitigation measures adopted for Alternative 6, and those that may be applied during post-lease reviews, are summarized below.

Lease Stipulations – The Final Notice of Sale (NOS) package contained 10 lease stipulations which were adopted for Cook Inlet LS 258. The full text of these stipulations is available on BOEM’s website at: <http://www.boem.gov/ak258/>. The 10 stipulations are as follows: the Protection of Fisheries Stipulation (No. 1); the Protection of Biological Resources Stipulation (No. 2); the Orientation Program Stipulation (No. 3); the Transportation of Hydrocarbons Stipulation (No. 4); the Protection of Beluga Whale Nearshore Feeding Areas Stipulation (No. 5); the Protection of Beluga Whales Stipulation (No. 6); the Protection of Northern Sea Otter Critical Habitat Stipulation (No. 7); the Protection of Gillnet Fishery Stipulation (No. 8); the Alaska Conflict Mitigation Plan Stipulation (No. 9); and the Royalties on All Produced Gas Stipulation (No. 10). These stipulations were added as lease terms as applicable to all, or some subset (as described in Section 2 above and the Final NOS package), of OCS blocks, and are therefore enforceable as part of the lease terms.

Post-Lease Mitigation Measures – In addition to the mitigation measures implemented via the aforementioned lease stipulations, the Supplemental EIS acknowledges that other mitigation measures may be applied to post-lease activities. Under the OCSLA staged decision process, BOEM and BSEE retain authority to review and approve post-lease activities (e.g., EPs, DPPs, permits to drill, pipeline

permits, and decommissioning permits). Before approving such activities, BOEM and BSEE may condition approval of the permit or plan on implementation of site- or activity-specific mitigation. These requirements are incorporated into the approval of submitted plans and permit applications. Similarly, mitigation measures required by NMFS and the USFWS as a result of ESA consultation may be added as conditions of approval on individual plans or permits. Typically, these mitigation measures include but are not limited to the following: having protected species observers on board industry vessels to detect and avoid marine mammals, shutdown and ramp up procedures for seismic and other equipment use, and protocols for vessels and aircraft to avoid marine mammals, conducting monitoring; and applying operational modifications intended to reduce or eliminate disturbance to marine mammals. Additional mitigation measures may include the use of fully shielded light fixtures, the avoidance of unnecessary lighting, and the use of motion sensors wherever human safety allows on platforms and vessels.

Mitigation Monitoring and Adaptation – BOEM and BSEE continually assess compliance with and effectiveness of mitigation measures to allow the Alaska Regional Office to adjust mitigation if needed. A primary focus of this effort is requiring submission of information within a specified timeframe or after a triggering event that is tracked by BOEM and/or BSEE. This information helps inform BOEM and BSEE regarding potential impacts, effectiveness of mitigation, and potential modifications to operations or mitigations in the future through post-lease conditions of approval.

Enforcement – BSEE has the authority to inspect operations and enforce the conditions of any lease terms, including stipulations and conditions of any plan approval (30 CFR part 250, subpart N). BOEM may also refer potential violations to BSEE for investigation and potential enforcement. BSEE may impose penalties or other remedies on any lessee or any operator that fails to comply with the terms of a lease, including stipulations and other mitigation measures, and conditions of any post-lease plan or permit approvals.

9. CONCLUSION

The OCS is a vital national resource held by the Federal Government for the public that should be made available for expeditious and orderly development, subject to environmental safeguards, in a manner that is consistent with the maintenance of competition and other national needs (OCSLA § 1332). In keeping with this congressional policy and the requirements of NEPA, DOI has considered all of the alternatives, information, and analyses in developing the Supplemental EIS. BOEM fully considered the potential effects of this action, developed mitigation of potential impacts through exclusion of sensitive OCS acreage and other measures, and rationally articulated the relevant factors in recommending the Preferred Alternative. I certify that I have considered all relevant information and the NEPA process has closed. I find that the Supplemental EIS addresses the Court’s identified deficiencies on remand in Section 1. After consideration of the information and analyses in the LS 258 Final EIS, as supplemented by the Supplemental EIS, I find that LS 258 as held both complies with the Inflation Reduction Act, wherein Congress required the Department to hold LS 258, and provides the opportunity for production of domestic oil and gas to respond to a declared national energy emergency (Executive Order 14156, “Declaring a National Energy Emergency,” (Jan. 20, 2025)), while adequately mitigating or avoiding impacts to the environment. Therefore, I am affirming LS 258 and preserving the opportunity to explore and possibly develop the lease issued in Cook Inlet LS 258.

Leslie Shockley Beyer
Assistant Secretary
Land and Minerals Management