MMS Proposes First Chukchi Sea Sale in 17 Years

Sale Scheduled for February 2008

ANCHORAGE, Alaska -- The Minerals Management Service (MMS) proposes to hold an oil and gas lease sale, Sale 193, in the Chukchi Sea in February 2008, which would be the first Chukchi Sea outer continental shelf lease sale since 1991. The Proposed Notice of Sale was published in the Federal Register on August 3, 2007. The Proposed Notice outlines the terms for the sale and describes the proposed sale area, financial terms, and lease stipulations designed to protect the human, coastal, and marine environments.

MMS estimates that the Chukchi Sea could contain 15 billion barrels of oil and 76 trillion cubic feet of natural gas (mean estimate of conventionally recoverable resources). The Proposed Notice also includes proposed royalty suspensions on the production of both oil and natural gas subject to price thresholds.

The Chukchi Sea Sale 193 proposed area is located offshore Alaska from north of Point Barrow to northwest of Cape Lisburne. It contains about 29 million acres. The sale area extends from about 25 to 200 miles offshore. The proposed sale area excludes nearshore waters extending to 25 to 50 miles from the coast, which includes the near-shore “polynya” through which the bowhead and beluga whales, other marine mammals, and marine birds migrate north in the spring, and in which local communities subsistence hunt. Water depths primarily range from 95 feet to approximately 262 feet.

All leases will be subject to MMS’s existing regulations that include extensive requirements for safety, drilling operations, and pollution prevention, plus regulations of other agencies covering marine mammals, endangered species, and air and water quality. In addition, MMS proposes stipulations to address environmental effects that may occur because of exploration and development of the area’s oil and gas resources. These stipulations call for protection of biological resources, including protected marine mammals and eiders, use of pipelines rather than tankers, and methods to minimize interference with subsistence whaling and other subsistence harvesting activities.

Two sales have been held in the Chukchi Sea Planning Area. Sale 109 was held in 1988 with 350 leases issued. Sale 126 was held in 1991 with 28 leases issued. All of the leases have expired.

To request a copy of the Proposed Notice of Sale or the Final Environmental Impact Statement, write to: Minerals Management Service

Alaska OCS Region
3801 Centerpoint Drive, Suite 500
Anchorage, AK 99503