

FINDING OF NO SIGNIFICANT IMPACT

Statoil USA E&P Inc.

2011 Ancillary Activities
Chukchi Sea, Alaska

Introduction

In accordance with the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations at 40 CFR 1501.3(b) and 1508.9, Department of the Interior (DOI) regulations implementing NEPA at 43 CFR Part 46, and Bureau of Ocean Management, Regulation, and Enforcement (BOEMRE) policy, BOEMRE prepared an environmental assessment (EA) of the potential effects of Statoil USA E&P Inc.'s (Statoil) proposed 2011 ancillary activities in the Chukchi Sea Planning Area of the Alaska outer continental shelf (OCS). The proposed ancillary activities are authorized under the OCS Lands Act and are regulated under 30 CFR 250.

On June 6, 2011, a notice of preparation of an EA on Statoil's proposed ancillary activities was posted on the Alaska OCS Region website. The notice provided "additional opportunity for the public to provide views, prior to a decision being made by the Responsible Official(s) that may inform the decision-making process, including issues or information regarding potential environmental effects that should be considered in the preparation of the EA." Comments were accepted on Regulations.gov through June 16. Comments were received from the Alaska Eskimo Whaling Commission and Alaska Wilderness League et al. A brief summary of the substantive issues in the comments received and our consideration of them was prepared for the responsible BOEMRE decisionmakers.

The BOEMRE prepared the EA to determine whether the proposed action may result in significant effects (40 CFR 1508.27) that could trigger the need for an environmental impact statement (EIS) and to assist with BOEMRE planning and decisionmaking (40 CFR 1501.3b).

The BOEMRE conducted the environmental evaluation to ensure the proposed ancillary activities do not cause undue or serious harm or damage to the human, marine, or coastal environment (30 CFR 250.202(d) and (e)).

Purpose of the Proposed Action

On March 31, 2011, Statoil submitted an Ancillary Activities Notice and Plan of Operations for a proposed 2011 open-water, shallow hazards seismic survey program to collect bathymetric and shallow sub-seafloor data for site clearance and shallow hazards assessment in support of future oil and gas exploration and development activities on Statoil's OCS leases in the Chukchi Sea. Statoil also proposes a geotechnical soil investigation to evaluate the properties of the seafloor on Statoil leases and leases held jointly with ConocoPhillips Alaska Inc. (CPAI).

Description of the Proposed Action

Statoil proposes to conduct a shallow hazards seismic survey and geotechnical investigation during the 2011 open-water season in the Chukchi Sea. The primary objectives of the proposed ancillary activities are the acquisition of high-resolution seismic data and geotechnical coring samples. The proposed activity area encompasses the 16 leases owned by Statoil and 3 leases jointly owned by Statoil and CPAI. All leases were obtained in Lease Sale 193 held in February 2008 (USDOI, MMS, 2008a). The activity area on Statoil's leases is located ~165 km (~103 mi) northwest of Wainwright and ~240 km (~150 mi) west of Barrow in the Chukchi Sea (Figure 1). The Statoil/CPAI lease area is located ~188 km (~117 mi) west of Wainwright and ~304 km (~189 mi) west of Barrow.

The ice-strengthened seismic survey vessel *M/V Duke* (or a similarly equipped vessel) and the dynamically positioned (DP) soil investigation vessel *M/V Fugro Synergy* (or a similarly equipped vessel) would transit at ~10 knots, from Dutch Harbor, Alaska, in late July, arrive in the Chukchi Sea to begin work on or about August 1, and continue working through October. If all permitted activities have not been completed and weather conditions permit, operations may continue as late as November 15. Upon completion of operations, the vessels will be demobilized to Dutch Harbor. One marine mammal observer (MMO) would be located on the bridge or weatherdeck of each vessel to watch for marine mammals during transit to and from Dutch Harbor.

The shallow hazards survey is designed to collect data to evaluate the potential for shallow faults, gas zones, and archaeological features on Statoil's leases. Site surveys are typically conducted using multiple types of acoustic equipment. The shallow hazards survey will use a towed airgun array with a single ~600 m towed hydrophone streamer, as well as lower-power, higher-frequency survey instrumentation to collect bathymetric and sub-bottom data. The proposed survey would collect about 2,500 km (1,553 mi) of data on or near Statoil's leases, covering an area of ~625 km² (245 mi²). The site-survey work on Statoil's leases would take approximately 23 days to complete.

Geotechnical coring would be performed to collect detailed data on seafloor sediments and geological structure to a maximum depth of 100 m (328 ft) at prospective drilling locations. The diameter of the borehole would be around 10 in. (25.4 cm) depending on soil type, and samples would be taken through and in front of the drill bit with a sampler ID (Inner Diameter) of 2.1–2.83 inches (5.3–7.2 cm) and a sampler OD (Outer Diameter) of 2.25 – 3.0 inches (5.7–7.6 cm).

Three to four cores would be collected at each of up to 5 potential drilling locations on Statoil leases and 6–9 cores at 3 drilling locations on leases jointly owned by Statoil and CPAI. A maximum of 29 cores would be taken collectively by Statoil during the geotechnical survey. The proposed coring locations would be surveyed and cleared of historic resources and surface hazards before the cores are collected. The cores would be stored on the vessel until transport to shore facilities for geotechnical analysis.

Mobilization goods and services would be obtained from Dutch Harbor. Crews will be housed aboard their respective ships.

Personnel and equipment may be transferred through Barrow or Wainwright in case of emergency or other unforeseen circumstances. Statoil has determined that the *M/V Fugro Synergy* cannot dock in the port of Nome because of its deep draft. If there is a need for access through Wainwright, Olgoonik's *Tukpuk* will be used. The *Tukpuk* is a 32-ft (9.75 m) vessel with the capacity to carry a maximum six people.

Vessel traffic between Dutch Harbor or Nome and the survey area would remain outside of the Ledyard Bay Critical Habitat Unit (LBCHU), except in an emergency or as specifically authorized by the U.S. Fish and Wildlife Service (FWS).

Related Environmental Documents

The site-specific EA tiers and incorporates information by reference from previous NEPA documents that address issues and analyze potential effects of seismic surveys in the Arctic OCS. The tiering-process is detailed in NEPA's implementing regulations (40 CFR 1502.20 and 1508.28) and is intended to eliminate repetitive discussions of issues and concentrate on specific issues related to specific activities.

The EA tiers from and incorporates information by reference from the following MMS/NMFS NEPA documents:

- Final Programmatic Environmental Assessment, Arctic Ocean Outer Continental Shelf, Seismic Surveys – 2006 (OCS EIS/EA MMS 2006-038) June 2006 (PEA).

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- Final Environmental Impact Statement, Chukchi Sea Planning Area, Oil and Gas Lease Sale 193 and Seismic Surveying Activities in the Chukchi Sea (OCS EIS/EA MMS 2007-026) May 2007 (2007 Chukchi Sea Sale 193 FEIS)
 - Environmental Assessment, Chukchi Sea Planning Area, Statoil USA E&P Inc., Geological & Geophysical Permit, 2010 3D/2D Seismic Acquisition, Chukchi Sea, Alaska (OCS EIS/EA BOEMRE 2010-020) June 2010 (2010 Statoil G&G EA).

The proposed seismic surveys are within the scope of the actions addressed in the following Endangered Species Act (ESA) consultation documents. The EA incorporates by reference information from these documents:

- NMFS Biological Opinion for Oil and Gas Leasing and Exploration Activities in the U.S. Beaufort and Chukchi Seas, Alaska and Authorization of Small Takes Under the Marine Mammal Protection Act (USDOC, NOAA, NMFS, 7/17/08) (NMFS 2008 BiOp).
- FWS Biological Opinion for Beaufort and Chukchi Sea Program Area Lease Sales and Associated Seismic Surveys and Exploratory Drilling (USDOI, FWS, 9/3/09) (FWS 2009 BiOp).

The proposed geotechnical soil investigation activities are categorically excluded and do not meet any of the criteria for extraordinary circumstances listed in 43 CFR 46.215(a)-(1) under which actions, otherwise covered by a categorical exclusion, would require further analysis under NEPA in accordance with 43 C.F.R. 46.205(c).

Environmental Evaluation

The following issues and concerns were identified by the technical analysts for consideration during this environmental review:

- potential effects of seismic survey sound on bowhead whale migration patterns;
- potential effects of seismic survey sound on marine fish and essential fish habitat;
- potential effects of seismic survey operations on marine wildlife, including marine mammals, marine birds, and threatened and endangered species; and
- potential effects of seismic survey operations on subsistence activities.

The 2006 Final Seismic PEA and 2007 Chukchi Sea Sale 193 FEIS concluded the effects to terrestrial mammals, air quality, and water quality from open-water seismic survey operations in the Chukchi Sea would be negligible. Effects to terrestrial mammals, air quality, and water quality were not further analyzed in the site-specific EA.

The BOEMRE evaluated the Proposed Action and a No Action alternative. No additional alternatives that met the purpose and need for the proposal were identified by BOEMRE.

No Action.

Under this alternative, BOEMRE would not approve the proposed activities. This alternative would delay or eliminate any potential adverse effects to the physical environment, biological resources, or subsistence activities from ancillary activities in the vicinity of Statoil's Chukchi Sea leases during the 2011 open-water season. Potential economic benefits to the communities and residents of Dutch Harbor, Nome, and the North Slope residents would be delayed or would not be realized. Although the number of local residents employed for the proposed activities is expected to be relatively small and the effect to be negligible at the community level, BOEMRE disapproval of the proposed activities during the 2011 season would be a considerable adverse effect on individuals who lost potential employment. The data and information collected from the proposed activities would be used to evaluate operational- and safety-related aspects of possible future exploration drilling operations. Failure to collect, evaluate, and consider

such data and information could result in lost opportunities for discovery and production of oil and gas resources.

Proposed Action.

Based on review of the proposed activities and the best available scientific information, the analysis in the attached EA concludes that negligible to minor adverse effects are expected to occur from Statoil's proposed ancillary activities in the Chukchi Sea during the 2011 open-water season. Mitigation measures incorporated into the proposed action were considered in the analysis. The overall conclusions of the proposed action analysis are summarized below:

Biological Resources: Statoil's proposed ancillary activities are expected to have negligible or minor, short-term effects on biological resources. Effects on marine mammals, marine birds, and most marine fish or their habitats would be restricted to disturbance and temporary avoidance or displacement.

Threatened and endangered species expected to occur in the proposed activity area are humpback, fin, and bowhead whales, polar bear, and Steller's and spectacled eiders. Effects on long-tailed ducks, gray whales and Pacific walrus from Statoil's proposed ancillary activities are expected to be minor and limited to disturbance and potentially some avoidance of the area of operations surveyed by some individual animals. No population level effects are anticipated. Adverse effects to humpback and fin whales are unlikely, as these species are extralimital in the proposed activity area. Bowhead whales mostly concentrate in the Beaufort Sea during the open-water season; they migrate past the activity area in September and October and may detour around the ancillary activities because of discharging airguns. Eiders could be disturbed or displaced by vessel traffic associated with Statoil's activities, but the effects are expected to be negligible and temporary.

The proposed ancillary activities are expected to have a negligible effect, or no effect, on designated critical habitat for threatened spectacled eiders, designated critical habitat for polar bears, or essential fish habitat.

Subsistence Activities, Employment, and Community Health: The proposed activity area is greater than 45 miles from shore and distant from offshore subsistence harvest areas and sound levels associated with the proposed shallow hazards survey are much less than sounds associated with high-energy seismic surveys. Effects on subsistence activities undertaken by Barrow, Wainwright, Point Lay, and Point Hope are expected to be negligible. The effect of employment of local residents in support of proposed activities is expected to be negligible at the community level. Mobilization goods and services would be obtained from Dutch Harbor. Personnel and equipment may be transferred through Barrow or Wainwright in case of emergency or other unforeseen circumstances. These business interactions are expected to have a minor effect on the economies of Dutch Harbor and Nome and are not expected to adversely affect community health within these communities. The proposed activities are expected to have no adverse effect on the health of the residents of the North Slope Borough or the communities of Barrow, Wainwright, Point Lay, and Point Hope.

Water Quality: The proposed ancillary activities would produce highly localized, brief, and negligible effects to the water quality and the benthic environment.

Significance Review (40 CFR 1508.27)

Pursuant to 40 CFR 1508.27, significance is evaluated by considering both context and intensity. Effects associated with the proposed ancillary activity are not expected to meet the CEQ criteria for significance.

The potential significance of an action must be analyzed in several contexts such as society as a whole (human, national), the affected region, the affected interests, and the locality. Significance varies with the setting of the proposed action. For site-specific actions like this one, significance would depend upon the effects in the locale rather than in a larger regional context. Both short-term and long-term effects are relevant. For this proposed action, the context is one of an offshore environment, more than 100 miles to

the closest rural, subsistence-based village. Given the nature of the proposed ancillary activities, essentially all notable effects are expected to be short-term, occurring only while the activities are taking place. It is with this context in mind that the intensity of potential effects is considered.

Intensity refers to the severity of effect. Pursuant to 40 CFR 1508.27(b), the following ten factors have been considered in evaluating the intensity of Statoil's proposed ancillary activities:

1. **Impacts that may be both beneficial and adverse.** A significant effect may exist even if the Federal agency believes that on balance the effect will be beneficial. Potential adverse effects of the proposed activities to the physical environment, biological resources, and subsistence activities are expected to be negligible to minor. The potential beneficial economic effects for local residents employed in support of the proposed activities are expected to be temporary and negligible at the community level. Therefore, the level of adverse and beneficial effects of the proposed action does not render the potential impacts significant.
2. **The degree to which the proposed action affects public health or safety.** The communities closest to the proposed survey area are Wainwright, about 100 miles east-southeast, and Barrow, about 150 miles east. The proposed survey area is at least 45 miles from shore. The proposed activities would be supported from existing infrastructure located in Nome. Goods and services would be obtained from Dutch Harbor and Nome, if needed. These business interactions are not expected to adversely affect community health. Previous seismic survey-related environmental evaluations (2006 Final Seismic PEA and Sale 193 EIS) concluded that effects to water and air quality from open-water seismic survey operations in the Chukchi Sea would be negligible.

The proposed ancillary activities would produce highly localized, brief, and negligible effects to the water quality and the aquatic environment.

Statoil's proposed activities will incorporate mitigation measures developed cooperatively with the Chukchi Sea communities to avoid interference with subsistence activities. These measures will be an integral part of the activities and will be required and enforced by BOEMRE if the proposed action is approved. To issue MMPA authorization to Statoil, NMFS must find that Statoil's proposed activities will have no unmitigable adverse impact on the availability of marine mammal species for subsistence uses. Therefore, the degree to which the proposed action may affect public health or safety does not render the potential impacts significant.

3. **Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.** The proposed ancillary activities are not in the immediate proximity of any unique geographic areas. The closest unique geographic area, Hanna Shoal, lies more than 8 miles northeast of the proposed activity area at the nearest point. During the spring and early summer, a large proportion of Hanna Shoal retains sea ice providing resting/foraging platforms for several marine mammal species. Sea ice has been designated under the ESA as critical habitat for threatened polar bears (see also the discussion for criteria 9 below). Open-water marine seismic surveys require essentially ice-free conditions to maneuver the source array(s) and receiver streamer(s). The proposed shallow hazards surveying is not expected to occur if sea ice that could serve as a platform for polar bears, walrus, and ice seals is in the vicinity. The proposed activities are expected to have negligible or minor, short-term effects on biological resources. Effects on marine mammals are expected to be limited to disturbance and temporary avoidance or displacement.

The LBCHU in the U.S. Chukchi Sea is a federally designated critical habitat for threatened spectacled eiders under the ESA (see also the discussion for criteria 9 below). In accordance

with requirements of the FWS 2009 BiOp, vessel traffic between Nome and the survey area will remain outside of the LBCHU.

The essential fish habitat (EFH) for five species of Pacific salmon and Arctic cod encompasses the entire Chukchi Sea Planning Area. Although EFH for saffron cod and snow crab have been designated within the U.S. Chukchi Sea, they do not extend to the proposed survey area. The BOEMRE EFH analysis concluded that Statoil's activities would have negligible adverse effects on EFH.

The likelihood of coastal areas or sea ice being contacted by fuel spilled from the proposed activities is extremely low. The proposed survey area is 45 miles and greater from the U.S. Chukchi coast. Statoil does not anticipate the need to refuel at sea. Should at-sea refueling become necessary, the operations would be conducted under U.S. Coast Guard (USCG) implementing regulations at 33 CFR 156 Subpart C—Special Requirements for Lightering of Oil and Hazardous Material Cargoes. Should the fuel transfer hose become disconnected or the fuel hose break, fuel valves are expected to be shut off quickly, limiting the volume of fuel spilled. For purposes of the analysis in the EA, a fuel-transfer spill is assumed to be 13 barrels or less of diesel fuel. Small fuel spills are expected to evaporate, dissipate, and dilute within several hundred yards. Previous analysis of such spills (2006 Final Seismic PEA and Lease Sale 193 EIS) concluded that any effects would be localized, temporal, and negligible.

Emissions and discharges from the vessels must comply with regulations that are applicable to all vessels. Emissions from proposed activities are expected to be localized and short term, and to have negligible effects on local air quality (2006 Final Seismic PEA and Lease Sale 193 EIS). Discharges from Statoil's proposed activities would be regulated under the Environmental Protection Agency's (EPA) National Pollutant Discharge Elimination System Vessel General Permit for Discharges Incidental to the Normal Operation of Vessels (EPA, 2009a), which became effective for Alaska on February 6, 2009. Current USCG regulations related to pollution prevention and discharges for vessels carrying oil, noxious liquid substances, garbage, municipal or commercial waste, and ballast water are found at 33 CFR 151. Allowable discharges and emissions are not expected to reach or affect the coastal area or sea ice.

Therefore, the degree to which the proposed action may affect unique geographic areas does not render the potential impacts significant.

- 4. The degree to which the effects on the quality of the human environment are likely to be highly controversial.** Whaling is a culturally self-defining practice of the Inupiat people. Whaling provides nutritious food, the basis for self-worth, and other attributes that have implications to many facets of their life, even including choosing their government leaders. Stakeholder concerns related to anthropogenic noise in the Arctic marine environment have focused on the potential effects to marine species, particularly the bowhead whale, from impulse sounds associated with high-energy seismic surveys. Statoil's proposed shallow hazards survey would use low-energy seismic and acoustic sources. Stakeholder concerns have included the potential effects of noise on other marine mammals, fish, and birds; the biological significance of bowhead whales' responses to anthropogenic marine noise; and potential interference with subsistence activities.

The anticipated effects of the proposed activities are based upon well-defined and established models for sound transmission. The proposed activities include specific and enforceable mitigation measures. The effects analyses in the EA are based on the best available scientific information. No unavailable information relevant to potential significant effects or essential to a reasoned decision on the proposal or alternatives was identified. There remain no substantial questions regarding whether the proposed action may cause significant effects. Therefore, the

degree to which the potential effects of the proposed action may be highly controversial does not render the potential impacts significant.

5. **The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.** Permitted seismic surveys with sound levels greater than those associated with the proposed shallow hazards survey have been conducted in the federal waters of the Beaufort and Chukchi Seas since the 1960's with a peak in the 1980's. No significant adverse effects were observed during these operations, which incorporated both marine mammal observers and passive acoustic monitoring.

Potential effects to bowhead whales, other marine mammals, and subsistence, were analyzed previously in the 2006 Final Seismic PEA, the 2007 Chukchi Sea Sale 193 FEIS, and multiple EAs prepared for proposed seismic surveys in 2007, 2008, and 2010. Based on its NEPA analyses, BOEMRE found no significant effects to marine mammals and subsistence activities from seismic surveying activities. Based on its NEPA analyses, NMFS found negligible effects to marine mammals and no unmitigable adverse effects to the availability of subsistence resources from seismic survey activities. The NMFS July 17, 2008, BiOp concluded that OCS exploration activities, including seismic surveying, in the U.S. Arctic Ocean are not likely to jeopardize the continued existence of the fin, humpback, or bowhead whale. The FWS September 3, 2009, BiOp concluded that OCS exploration activities, including seismic surveying, in the Beaufort and Chukchi Seas are not likely to jeopardize the continued existence of the polar bear, the Steller's eider, or the spectacled eider, nor will they destroy or adversely modify critical habitat. BOEMRE's biological evaluation concluded that Statoil's proposed activities are not likely to result in the destruction or adverse modification of polar bear critical habitat. These NEPA and ESA consultation findings were neither highly uncertain nor involved unique or unknown risks.

The effects of the proposed action are not expected to be highly uncertain nor does the proposed action involve unique or unknown risks. Therefore, the degree to which the potential effects of the proposed action may be highly uncertain or involve unique or unknown risks does not render the potential impacts significant.

6. **The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.** Statoil submitted the Ancillary Activities Notice in compliance with 30 CFR 250.208. Statoil's proposed ancillary activities in the vicinity of the company's Chukchi Sea leases is consistent with the overall objectives of the OCS Lands Act to determine the extent of the oil and natural gas resources of the OCS at the earliest practicable time. In compliance with OCS Lands Act and DOI policy in 516 DM 15, BOEMRE has conducted technical and environmental review on the proposed activities. No precedent for future actions or decision on principles for future considerations is made through decision on these specific proposed activities. Although the data and information obtained as a result of the proposed activities are a prerequisite to any decision by Statoil to proceed with submission of an Exploration Plan (EP), authorization of the proposed ancillary activities does not constrain the decision on any subsequent EP nor does denying authorization set a precedent for future authorization for any future ancillary activities or approval of any future EP. This action will not establish a precedent for future actions nor represent a decision in principle about a future consideration. Therefore, the degree to which the proposed action may establish a precedent for future actions or represents a decision in principle about a future consideration does not render the potential impacts significant.
7. **Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.** Significance exists if it is reasonable to anticipate a cumulatively significant impact on the environment. Significance cannot be avoided by

termining an action temporary or by breaking it down into small component parts. The pending decision on Statoil's ancillary activities would be applicable solely to the proposed activities. Authorization of the proposed ancillary activities does not set a precedent for future authorization of any future ancillary activities. Although the data and information obtained as a result of the proposed activities are a prerequisite to any decision by Statoil to proceed with submission of an Exploration Plan (EP), authorization of the proposed ancillary activities does not constrain the decision on any subsequent EP nor does denying authorization set a precedent for future authorization for any future ancillary activities or approval of any future EP. All ancillary activities and EPs are subject to BOEMRE proposal-specific technical and environmental review and separate decisionmaking process.

The EA considered the potential cumulative effects of the proposed ancillary activities and other expected activities in 2011 in the Chukchi Sea OCS. No other seismic surveying or ancillary activities are currently planned for the 2011 open water season in the Chukchi Sea. The EA concludes that the proposed activities are not reasonably anticipated to produce significant impacts or to incrementally add to the effects of other activities to the extent of producing significant effects. The proposed action is not directly or causally related to other actions with cumulatively significant impacts. Therefore, the degree to which the potential effects of the proposed action may be related to other actions with individually insignificant but cumulatively significant impacts does not render the potential impacts significant.

- 8. The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources. The proposed survey area is located more than 45 miles offshore of the U.S. Chukchi coast. The proposed coring locations would be surveyed and cleared of historic resources and surface hazards before the cores are collected. The proposed activities include no anchoring. Allowable discharges and emissions are not expected to reach or affect the coastal area. At-sea refueling is not expected to occur and the likelihood of coastal areas or sea ice being contacted by fuel spilled from the proposed activities is extremely low. The proposed action is not expected to adversely affect historic resources. Therefore, the degree to which the proposed action may adversely affect historic resources does not render the potential impacts significant.**
- 9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973. Statoil's proposed ancillary activities are within the scope of the activities covered in the current ESA consultations. The NMFS July 17, 2008, BiOp concluded that OCS exploration activities, including seismic surveying and ancillary activities, in the U.S. Arctic Ocean are not likely to jeopardize the continued existence of the fin, humpback, or bowhead whale. The FWS September 3, 2009, BiOp concluded that OCS exploration activities, including seismic surveying and ancillary activities, in the Beaufort and Chukchi Seas are not likely to jeopardize the continued existence of the polar bear, the Steller's eider, or the spectacled eider, nor will they destroy or adversely modify critical habitat. The FWS BiOp provided incidental take authorization for listed eiders, and required that incidental take of polar bears be authorized under the MMPA, at which time an ESA Incidental Take Statement (ITS) will be issued.**

The effects of the proposed action on endangered or threatened marine mammals are expected to be minor and temporary, and limited to disturbance and potentially some avoidance of the operations by a small number of marine mammals. This level of effects would be consistent with findings that are prerequisite to the issuance of incidental take authorizations under the MMPA. To issue incidental take authorizations under MMPA, NMFS and FWS must determine that the proposed action would have a negligible impact on marine mammals and no unmitigable adverse impact on the availability of these species for subsistence uses. Statoil has

applied to NMFS for an Incidental Harassment Authorization under the MMPA (February 2011). Statoil has applied to FWS for a Letter of Authorization under the MMPA (March 2011). Any authorization of Statoil's ancillary activities would be conditioned that Statoil may not commence activities prior to the receipt of all necessary permits and authorizations, including MMPA authorizations from NMFS and FWS.

The best available information indicates that few threatened eiders would be present in the proposed activity area during the time of the proposed operations. Eiders could be disturbed or displaced by vessel traffic associated with the proposed activities, but the effects would be minor and temporary.

The LBCHU in the U.S. Chukchi Sea is a federally designated critical habitat for threatened spectacled eiders under the ESA. In accordance with requirements of the FWS 2009 BiOp, vessel traffic between Nome and the survey area will remain outside of the LBCHU.

Within the U.S. Chukchi Sea, designated critical habitat for polar bear includes barrier islands and associated spits with a 1.6 km (1 mile) buffer zone; and all sea ice (multi-year ice, pack ice, first year ice, etc.) out to the 300-m bathymetric line. The proposed ancillary activities are not expected to occur in sea ice. The proposed activities are planned for the Arctic summer open-water season in 2011. The start of on-site activities would begin after the retreat of the ice in most years (early June to late July). The proposed survey area is located seaward of the typical extent of landfast ice during the time of operations. Grounded ridge ice is not anticipated in the area at the time of operations. Pack ice could move into the area during the time of operations due to wind or currents. For operational reasons, Statoil's activities cannot continue in the presence of such ice.

Allowable discharges and emissions are not expected to reach or affect the coastal area or sea ice. At-sea refueling is not proposed nor expected. The likelihood of coastal areas or sea ice being contacted by fuel spilled from the proposed activities is extremely low.

Therefore, the degree to which the proposed action may adversely affect endangered or threatened species or designated critical habitat does not render the potential impacts significant.

- 10. Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment.** In determining whether the proposed action may violate Federal, State, or local law or requirements imposed for the protection of the environment, BOEMRE considered documentation for Statoil's ancillary activities. The BOEMRE determined that the proposed activities comply with OCS regulations at 30 CFR 250. The BOEMRE requires compliance with all applicable Federal, State, and local laws and requirements. Any authorization of Statoil's ancillary activities would be conditional upon receipt of all necessary permits and authorizations, including MMPA authorizations from NMFS and FWS. Therefore, the proposed action does not threaten a violation of Federal, State, or local law or requirement imposed for the protection of the environment.

Finding of No Significant Impact

I have considered the evaluation of the potential effects of the proposed activities in the attached EA, the mitigation measures incorporated in the proposed activities to assure that potential adverse effects are mitigated to the extent possible and major disputes over the effects of the proposal are avoided, and the review of 40 CFR 1508.27 significance factors. It is my determination that no substantial questions remain regarding potentially significant impacts and that no potentially significant impacts are expected to occur as a result of the proposed activities. It is my determination that implementing the proposed action does not constitute a major federal action significantly affecting the quality of the human environment within the meaning of Section 102(2)(c) of the National Environmental Policy Act of 1969.



Fred King
Acting Regional Supervisor, Office of Leasing and Environment
Alaska OCS Region

JUL 08 2011

Date

Attachment: Environmental Assessment, Statoil USA E&P Inc. 2011 Ancillary Activities, Chukchi Sea, Alaska, OCS EIS/EA BOEMRE 2011-020.

Copies of the EA on Statoil USA E&P Inc. 2011 Ancillary Activities, Chukchi Sea can be obtained by request to Bureau of Ocean Energy Management, Regulation and Enforcement, Alaska OCS Region, 3801 Centerpoint Drive, Suite 500, Anchorage, AK 99503-5823 or (800) 764-2627.

The EA can be viewed at BOEMRE website: <http://www.boemre.gov/alaska>.