



# United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT  
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## Memorandum

To: Director

From: L. Renee Orr  
Chief, Office of Strategic Resources  
William Y. Brown  
Chief Environmental Officer

Subject: Additional Recommendations for Proposed Cook Inlet Oil and Gas Lease Sale 244 Area Identification

The Alaska Outer Continental Shelf (OCS) Region has reviewed comments received in response to the Request for Interest (RFI) for the proposed Cook Inlet Oil and Gas Lease Sale 244 (LS 244), published in the *Federal Register* on March 27, 2012, pursuant to 30 CFR 556.23(a). The comments received in response to the RFI, as well as comments received on the Five Year OCS Oil & Gas Leasing Program for 2012-2017 (Five Year Program), which became effective on August 27, 2012, resulted in the Alaska OCS Region's recommendation last year that the entire Cook Inlet OCS program area be included in the Area Identification (Area ID) for environmental analysis and consideration for leasing in LS 244. This program area consisted of approximately 1,093 blocks and covered about 2.16 million hectares (about 5.36 million acres). This areawide recommendation was sent to the Chief, Office of Strategic Resources (OSR), in a memorandum entitled "Summary of Interest and Information Received on Proposed Cook Inlet Oil and Gas Lease Sale 244 and Recommendations for Lease Sale Schedule and Area Identification," dated May 18, 2012.

~~Last year's areawide recommendation was made by the Alaska OCS Region prior to the advent of the targeted leasing model identified for the Arctic in the Five Year Program. Based on the targeted leasing model criteria, the Alaska OCS Region changed its recommendation from an areawide sale to a targeted leasing sale. The Alaska OCS Region developed a second Area ID recommendation detailed in a memorandum from the Regional Director to the Chief, OSR, on August 16, 2013, which reduced the Area ID to a more compact area in the northern portion of the Cook Inlet OCS Planning Area. It consisted of 229 blocks, covered approximately 477,800 hectares (approximately 1.17 million acres), and retained most of the area explicitly indicated by industry in response to the RFI. This revised Area ID is more fully depicted in the attached map.~~

The second Area ID recommendation was modified as a result of a telephone conference with the Director's Office, OSR, and Alaska OCS Region personnel on November 19, 2013. Based on the need to protect endangered species balanced against the areas with highest resource potential and industry interest, the meeting resulted in agreement to remove five additional blocks (Official Protraction Diagram [OPD] NO05-01 6531, 6580, 6581, 6630, and 6631) that encompass the margins of Northern Sea Otter Critical Habitat that extend into the OCS near

Augustine Island. With those blocks removed, the revised area consists of 224 blocks and approximately 437,613 hectares (approximately 1.07 million acres). The Area ID retains marginal portions of the Northern Sea Otter Critical Habitat (7 blocks, OPD NO05-02 6055, 6056, 6057, 6105, 6106, 6154, and 6155) and Beluga Whale Critical Habitat (10 blocks, OPD NP05-08 6759, 6760, 6808, 6809, 6810, 6811, 6858, 6859, 6860, and 6861) shown on the attached map. Deferring these areas from a potential sale will be further considered in the National Environmental Policy Act analysis, starting with scoping.

Under this most recently revised Area ID recommendation, the entire proposed sale area will be closer to existing infrastructure needed to support exploration activities. As shown on the attached map, a portion of the area is adjacent to active State of Alaska oil and gas leases. This option also:

- nearly avoids the entire designated critical habitat for the beluga whale and northern sea otter,
- completely avoids the critical habitat for the Steller sea lion and the North Pacific right whale,
- reduces effects to national parks, preserves, and wildlife refuges by placing the area considered for leasing away from the Katmai National Park and Preserve, Kodiak National Wildlife Refuge, and Alaska Maritime National Wildlife Refuge, and
- excludes much of the subsistence-use area for the Native Villages of Nanwalek and Port Graham that were identified during the LS 191 process.

We recommend that this revised option be adopted as the Area ID for LS 244. We have attached a draft Mitigation/Program Tracking Table input document and draft briefing document.

## **Background**

The approved Five Year Program introduced a targeted leasing model, under which Arctic OCS lease sales are to be geographically targeted in scope to achieve an appropriate balance between making resources available and limiting conflicts with environmentally sensitive areas and subsistence use. The Director expanded the use of a targeted leasing analysis for all areas of the Alaska OCS. Under the targeted leasing model, determinations about which blocks within the planning areas are most suitable for leasing will be made from the outset, rather than later in the lease-sale process.

Pages 8-10 of the decision document *Proposed Final Outer Continental Shelf Oil & Gas Leasing Program 2012-2017* (PFP) discuss the targeted leasing model for the Arctic. The PFP discusses BOEM's necessary evaluation of a number of different factors that must be considered in the design of potential Arctic sales, including resource potential, subsistence use, and environmental conditions. The PFP states on page 9: "The ultimate goal of using this analytical method is to design potential lease sales in the Chukchi Sea and Beaufort Sea planning areas that make significant oil and gas resources in defined areas available while minimizing conflicts with other uses of the OCS, consistent with BOEM's mandate under the Act to balance social, economic, and environmental considerations."

The Alaska OCS Region applied to Cook Inlet the analysis and the balancing used by the targeted leasing model, resulting in this third Area ID recommendation. In the Cook Inlet OCS Planning Area, there are parallel issues with subsistence use and the considerations of critical habitat for endangered species, such as the beluga whale, North Pacific right whale, northern sea otter, and the Steller sea lion. There are also concerns for commercial fishing, recreation, and aesthetics, as well as national parks, preserves, and wildlife refuges, such as the Katmai National Park and Preserve, Kodiak National Wildlife Refuge, Alaska Maritime National Wildlife Refuge, and Lake Clark National Park and Preserve. Our experience in consulting with Alaska Native Tribal Governments shows that subsistence hunting and fishing is as important to the tribes in Cook Inlet as it is to those in the Arctic.

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### **Mitigation/Program Tracking**

Suggestions for spatial inclusions and exclusions, temporal deferrals, mitigations, and other area concerns considered in the approved Five Year Program are shown on the Mitigation/Program Tracking Table (Table) on the BOEM website. Although no suggestions specific to the Cook Inlet Planning Area were included in the Table, several of the "Alaska-Wide Suggestions/Area of Interest/Area of Concern" included in the Table that "will be considered in greater detail at subsequent stages" of the lease-sale process are applicable to Cook Inlet.

In formulating the above Area ID recommendation, the Alaska OCS Region considered the Alaska-wide items from the Table applicable to Cook Inlet at this step of the lease-sale process. These items are "ecologically and culturally important areas" and "important subsistence and biological areas" as manifested in critical habitats, parks, preserves, and "subsistence use areas." As explained above, the recommendation moves the Area ID away from large areas of critical habitats, parks, preserves, refuges, and subsistence-use areas. The Alaska-wide suggestions in the Table that are not directly applicable to the Area ID, such as "create buffers around sensitive areas and resources, protect areas upstream and downstream of important ecological areas, seasonal restrictions in subsistence areas, and restrictions during migratory breeding and birthing periods," will be considered in greater detail in subsequent stages of the process.

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The attached document, "Lease Sale 244 Area Identification Mitigation/Program Tracking Table Input," includes potential deferrals and mitigation measures, including the Beluga Whale and Northern Sea Otter Critical Habitats, which were identified during review of the comments received in response to the RFI. In addition, the mitigation measures include those assumed to be in place for Cook Inlet OCS Oil and Gas Lease Sales described in the Five Year Program Final Environmental Impact Statement (i.e., Orientation Program, Protection of Biological Resources, Protection of Fisheries, and Transportation of Hydrocarbons).



