



## **Alaska OCS Leasing Strategy – FACTSHEET**

The Obama administration is committed to proceeding with energy exploration offshore Alaska cautiously, safely and based on the best available science. In particular, the administration is pursuing a balanced and careful approach to offshore development in the Arctic that accounts for the significant resource potential of Arctic areas; environmental protection; and the social, cultural and subsistence needs of Alaskan communities.

The Department of the Interior's Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2012-2017 recognizes the distinct needs of regions across the OCS and accounts for factors including current and developing information about resource potential; maturity of infrastructure to support oil and gas resource development – including emergency response assets; regional interest and local communities' concerns; and the overall need for a balanced approach to our use of the Nation's shared natural resources. The Department's leasing strategy for areas off the coast of Alaska, which includes potential single-sales in the Beaufort Sea, the Chukchi Sea, and the Cook Inlet Planning Areas, represents an important element of that regionally tailored approach, and is focused on:

### **Developing a targeted leasing model for the Alaska Arctic**

It's clear that a "one-size-fits-all" approach is not appropriate when making decisions about offshore oil and gas leasing. The areawide leasing model that the Bureau of Ocean Energy Management (BOEM) typically uses in the Gulf of Mexico, where there is a long and consistent history of offshore exploration and development, is not suited to the Arctic, where significant resource potential exists but where the nature of environmental challenges and social and ecological concerns warrant a different, and more targeted approach.

The Arctic holds substantial resources – BOEM estimates of technically recoverable oil and gas indicate that the Chukchi Sea Planning area holds 15.38 billion barrels of oil and 76.77 trillion cubic feet of natural gas – more than any other area on the OCS outside of the Central Gulf of Mexico – and that the Beaufort Sea Planning Area holds 8.22 billion barrels of oil and 27.64 trillion cubic feet of natural gas. BOEM is developing a focused leasing approach for the Arctic specifically designed to maximize the availability of resource potential while minimizing possible conflicts with environmentally sensitive areas and the native Alaska communities that rely on the ocean for subsistence.

In designing potential lease sales in the Arctic, BOEM will consider critical factors including resource potential, subsistence use, and relevant environmental information. One of the most important tools BOEM has developed to aid in designing these potential sales are detailed maps of the [Chukchi](#) and [Beaufort](#) Sea Planning Areas. These maps display data that are being used as a starting point for this analysis, with the ultimate goal of designing both potential and specifically defined sale areas that would make significant oil and gas resources available while



limiting conflicts with other uses of the OCS. Drawing from currently available information, BOEM has made a number of determinations to serve as the basis for discussions about the configuration of potential Arctic sales:

- *The Chukchi Sea Planning Area:* The Program schedules one potential sale in the Chukchi Sea Planning Area in 2016. The Program retains a pre-existing 25-mile nearshore buffer that has long been excluded from leasing because it is important to Native Alaskan subsistence use, and the Secretary has also determined that an additional subsistence area north of Barrow, Alaska, will not be considered for future leasing.
- *The Beaufort Sea Planning Area:* The Program schedules one potential sale in the Beaufort Sea Planning Area in 2017. From the outset, the planning area excludes two subsistence whaling areas near Barrow and Kaktovik from leasing, and further analysis of resource distribution, subsistence use, and key environmental data will support future decisions.

### **Drawing on best-available science and traditional knowledge**

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Ongoing analysis will inform further decisions about the configuration of potential sale areas in the Alaskan Arctic, and BOEM is engaged in ongoing efforts to further develop and aggregate both scientific information and native Alaskan communities' traditional knowledge that will be used to identify areas which may be made available for oil and gas leasing in the Beaufort Sea and Chukchi Sea Planning Areas under this targeting leasing model.

This focus is consistent with the recommendations of the U.S. Geologic Survey's 2011 *Evaluation of the Science Needs to Inform Decisions on Outer Continental Shelf Energy Development in the Chukchi and Beaufort Seas, Alaska*, and with the interagency efforts being conducted by the Interagency Working Group on Coordination of Domestic Energy Development and Permitting in Alaska. This group was established by executive order and is chaired by Deputy Secretary of the Interior David J. Hayes.

For example, BOEM's Environmental Studies Program currently supports ongoing studies that are evaluating the Hanna Shoals habitat in the Chukchi Sea and the subsistence hunting and fishing patterns of Native Alaskans from the North Slope communities of Point Hope, Point Lay and Wainwright.

In the Cook Inlet Planning Area, BOEM has moved the timing of a potential special interest sale to 2016, towards the end of the Program, in order to complete a full environmental impact statement evaluating potential effects of an oil and gas lease sale in the area. Industry interest in response to a March 27, 2012, Request for Interest was sufficient to warrant such an analysis.



### **Learning from work on existing leases**

The planning process for potential lease sales in the Beaufort Sea and Chukchi Sea Planning Areas will account for any information about geology and resource potential that may be uncovered as a result of geological and geophysical surveys (G&G) and exploration under current leases in those areas. Exploration may provide valuable data for defining the best areas for potential development and for assessing reservoir characteristics, such as volumes and pressures that are central to ensuring appropriate safety measures and spill response resources are in place. Additionally, potential activities would yield opportunities to evaluate the mitigation measures that are currently in place to protect the environment and subsistence. In a similar vein, analysis in support of a potential sale in the Cook Inlet will account for potential interim activity on state leases in the coming years.

Furthermore, as offshore oil and gas exploration under existing leases moves forward, so too must near- and long-term planning with respect to infrastructure, including spill response preparedness. Current spill response planning is focused on specific, limited near-term proposed drilling operations in the Arctic OCS. Longer-term planning and infrastructure development are also necessary, particularly if major oil resources are found and producers seek to engage in year-round production activities.

### **Engaging in a transparent lease-sale planning process**

Currently, BOEM is implementing a number of measures to enhance the effectiveness and transparency of the pre-lease planning process and to encourage stakeholder feedback in the design of potential lease sales. These tools include an [alternative and mitigation tracking table](#) that will allow commenters to track the status of their recommended mitigation measures and exclusion areas. BOEM also is developing regionally-tailored [interactive maps](#) that can be found on the [Five Year Program website](#). BOEM is committing to publish an annual progress report on the Five Year Program that includes an overview of activities that occurred in the previous year and an opportunity for stakeholders and the public to comment on the program's implementation.

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